

## Ulster talks stalled by Lynch appeal for unity

British ministers were shocked last night by suggestions by Mr Lynch the Irish Prime Minister, that Britain should encourage Irish unity and that terrorists might be amnestied when Ulster violence ended. In Ulster the Official Unionists suspended talks with the Government over a devolved administration "until it had cleared its position beyond all doubt".

## Amnesty view shocks British ministers

By Fred Emery  
New suggestions by Mr Lynch, Prime Minister of the Irish Republic, that Britain should actively encourage Irish unity, and that the Dublin Government should consider an amnesty for terrorists once the Ulster violence ended, exploded like a planted bomb among British ministers last night. Unionist responses in Belfast were predictably furious. Mr Mason, Secretary of State for Northern Ireland, restrained himself from making a statement until he had seen the full text of Mr Lynch's remarks, given yesterday in an interview to the Irish radio. But to say that the British Government regarded Mr Lynch's surprise intervention as unhelpful and untimely conceals the sense of outrage and shock.

The immediate concern in Whitehall was that Mr Lynch might have weakened Mr Mason's initiative with Northern Ireland politicians to agree to an "interim" return to a devolved administration. But clearly Mr Lynch's talk of amnesty stuck in ministers' throats.

Asked about an amnesty, he replied: "That remains to be seen. In most cases, these people have broken the law, and the law must be maintained. Naturally enough, if peace came and there was a complete ceasefire, we would look at the situation."

I cannot say in advance what the Government would do. It is a matter for the collective responsibility of the Government. But again we are talking on the basis of a hypothesis, if there was a termination of violence, and if it came under one government, naturally the Government would give careful consideration to some form of amnesty or some form of mitigation of sentences. There can be little dispute that such remarks might be realistic after a final ceasefire; but to make them now, in the British Government's view, is to encourage the terrorists to advance. Whitehall insisted that there can be no question of an amnesty in Northern Ireland.

As for Ulster devolution, talks between Mr Mason's officials and Ulster politicians were described as being at a delicate stage. Last night it was doubted whether they now had much future. As for Mr Lynch's motives, there was official bafflement when there was no suggestion of mischief. Why he should have chosen to reopen the unity issue after the 1973 border referendum had made it clear that the British would allow unity, but that the overwhelming majority wanted to stay in the United Kingdom was clearly beyond the immediate grasp of ministers. What the Irish see as an intolerable stagnation, Britain sees as the only way forward.

"Steel Wall": Mr Lynch said so the radio that he thought

## White Paper likely to permit only a modest rise in public spending

By Melvyn Westlake

A government decision to permit a modest growth in public spending in coming years is likely to be contained in the annual White Paper on Expenditure, which will probably be published on Thursday.

However, the spending plans will reflect the Cabinet's determination to keep the growth in government expenditure below the projected expansion in the overall economy.

Operating within this constraint, it seems likely that between now and 1981-82 (the years to be covered by the White Paper) public spending may be permitted to grow at an average of about 2 per cent a

year. This is a good deal slower than earlier this decade, when such spending significantly exceeded the expansion in the economy.

Even so, it represents a greater proportionate allocation of resources to the public sector than appeared to have been envisaged a year ago when the scope for any real growth in spending by Whitehall departments seemed severely limited. It is the Chancellor's determination to reduce the tax burden that continues to make it desirable that public sector spending rises less fast than national output.

The belief that the tax burden has become unsupport-

ably high is now firmly rooted in Treasury thinking and Mr Healey has committed himself on various occasions to reducing it.

If this is to be done without simultaneously pushing up government borrowing to unacceptably high levels, the growth in public spending must remain comparatively modest for some years.

Mr Healey is known to be unhappy with the situation that exists at present when people start paying tax at an income level which would qualify them for supplementary benefit. Raising the tax threshold above this level has become a high priority.

But even to do this would be very expensive in terms of lost revenue.

However, it is now felt by several ministers that a move in this direction should take precedence over any major expansion of the public services.

How quickly this phase can be completed depends on how fast the economy grows, although Mr Healey still argues that a point will come when public spending can be allowed to rise as fast as national output in general.

Last year's White Paper showed that the ratio of public spending to gross domestic product—the nation's total output of goods and services—would

fall from 46 per cent in the financial year 1975-76 to about 42 or 43 per cent in 1978-79. It is now expected that this ratio will be held at about 43 per cent for 1978-79.

The forthcoming White Paper is also likely to be experimental in providing tax revenue projections for probably the next three years. This has only been done once before, in Mr Roy Jenkins's 1969 White Paper.

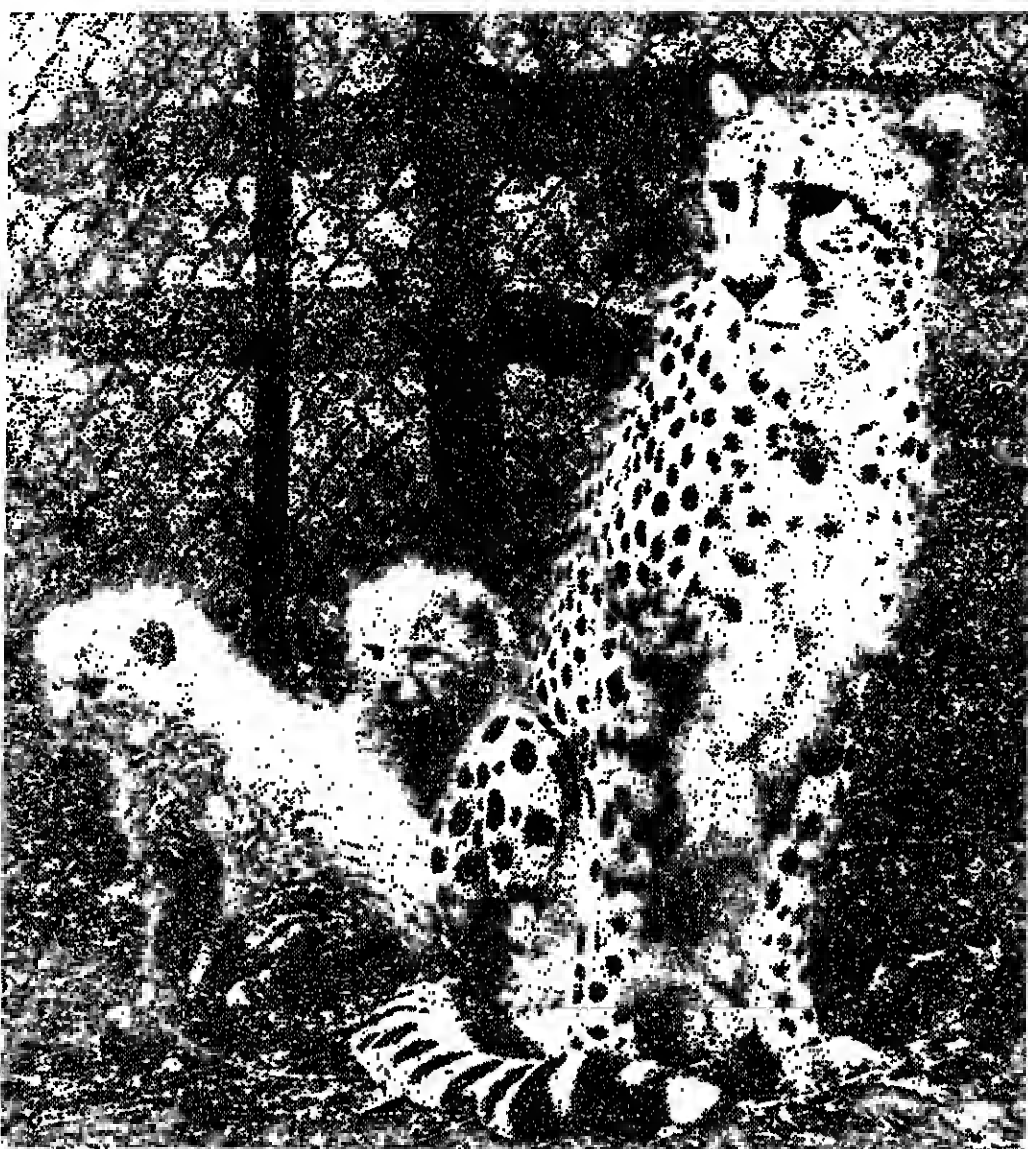
The Treasury has been pressed to restore such projections by the House of Commons all-Party Expenditure Committee.

It has long been argued that it makes no sense to consider revenue flows separately from

spending projections, as now happens with the spring Budget and the annual White Paper on Expenditure.

The Treasury has considerable reservations, however, about the usefulness of providing what are inevitably very provisional estimates about revenue flows for some years ahead.

There is also some wariness on the part of the Treasury, that MPs on the Commons Expenditure Committee could obligate it to provide the assumptions on which the revenue estimates are based, thereby revealing rather more about its forecasts for the economy than it would like to disclose.



It has taken five years to breed South-West African cheetahs at Port Lympne Wildlife Park, Hythe, Kent. The mother, Orumba, is seen here with her cubs, Herero and Etosha, born eight weeks ago.

## Mrs Thatcher set to deride a 'miracle'

By Fred Emery and Paul Rundle

Mrs Thatcher, determined to arouse the electorate to see the coming contest with Labour as a "watershed election", perhaps the "most clear-cut we have had for years", is expected today to ridicule the "economic miracle" she sees being claimed by ministers.

Advance word of the closing speech of her Scottish tour which is being given in Glasgow, is that she is to insist that the recent findings by the Organization for Economic Co-operation and Development on Britain still show worse expectations than for other industrial countries.

The Leader of the Opposition is said to be preparing an arresting comparison to show that this Government's increase in borrowing has been greater than all previous British public borrowing.

She will try to hammer home the fact that average pay, in real terms, is still not back to the level of four years ago. Another argument for her use is that the entire amount of North Sea oil revenue, at

peak rates, would have to be used simply to get a return to the level of personal taxation inherited by Labour from the Conservatives in 1974. In a BBC radio interview yesterday she promised, if she won the election, to use most of those revenues to reduce taxation.

Mrs Thatcher's promised militancy, in her first big set piece speech of the new year, comes after the attack on Friday on "union bosses" by Sir Geoffrey Howe, QC, which further complicated the task of her Shadow Cabinet colleague responsible for handling the unions, Mr Prior. He is due to speak today on the same Glasgow platform as Mrs Thatcher and Sir Keith Joseph.

Senior Conservatives always deny policy differences. But there is no doubt that if Mr Prior sticks to his intended theme that the debate must be widened: that unions and their leaders alone must not be blamed for all British ills; that management and government must be blamed as well; then there will be taken as indicating that serious differences remain.

Continued on page 2, col 1

## Rhodesia clamps down on foreign journalists

Salisbury, Jan 8.—Strict controls on the reporting of security matters have been added to press censorship regulations in Rhodesia.

Under an emergency decree issued yesterday, the foreign press comes under the eye of official censors for the first time on day-to-day affairs.

Until now foreign correspondents were obliged to submit news copy for official scrutiny only if the material had been gathered on assignments given prior to military approval.

These included visits to war zones and military bases. From now on, correspondents can send without prior approval only news of guerrilla incidents contained in official communiques or disclosed in the courts or Parliament.

Additional information from the correspondent's own sources or eyewitness accounts must be approved by the Information Ministry.

No penalty for breach of the law was stated, but a government spokesman said he believed it was 1,000 Rhodesian dollars (£1,000) or one year's imprisonment or both.

Our Salisbury Correspondent writes: A government spokesman said the vast majority of journalists had cooperated with the Government in reporting matters of a military or security nature. There had been breaches of the security clearance procedures.

Matters which could reasonably be described as military secrets and affecting national security had been published openly.

Mr Michael Hartnack, president of the Rhodesian Guild of Journalists, strongly criticized the new regulations. At one stroke, he said, the Government had done more to curtail the freedom of the press than the Roman Catholic Church and the international press.

Where Henry VIII and Richard Nixon failed the Rhodesian Government is hardly likely to succeed, he said.

Continued on page 2, col 1

## Begin threat to revoke Sinai peace offer

From Our Correspondent

Tel Aviv, Jan 8

Mr Begin, the Israeli Prime Minister, today threatened to withdraw peace proposals put to Egypt by President Sadat.

The Israeli leader, angered by President Sadat's rejection of any Israeli military or civilian presence on Egyptian soil after the two countries sign a peace agreement, declared that if Egyptian intransigence continued, Israel would consider itself free to revoke the offer.

He added that Israel, as a victim of aggression, had the right under international law to demand territorial changes in a peace treaty.

The Israeli leader's warning, made after a six-hour Cabinet meeting, coincided with a Government announcement that it will strengthen existing settlements in Sinai, but no new ones would be approved.

However, an earlier decision to establish three more settlements would not be revoked and the first of these, founded today by 30 members of the militant Gush Emunim (Block of the Faithful) at biblical Shilo.

They were guided to the site by Israeli soldiers.

President Sadat had been quoted here as saying he would not tolerate the presence of

Israeli civilians on Egyptian soil after Israel withdrew from Sinai and that the Jews could dismantle or burn their villages and cities.

Mr Begin, speaking at a Herut Party meeting this evening, advised the Egyptian leader to leave the burning of cities to Nero.

"With all respect and in friendship," Mr Begin said, "I must re-emphasize to President Sadat that this intransigence and hardening of attitudes expressed by the words 'I shall not tolerate' cannot help the peace-making process."

The Israeli Government's decision not to approve any new settlements was taken secretly last week and made public today after reports, officially denied, claimed that more than 20 were to be established before military and political talks agreed by Israel and Egypt at Ismailia get under way.

The reports were not attributed but they reflected the views of General Ariel Sharon, the Minister of Agriculture, and head of the ministerial land settlement committee. The Yom Kippur war hero received a snub from the Cabinet today when, in a rare vote against a proposal by Mr Begin, it opposed Mr Sharon's inclusion in the political committee that is to negotiate with Egypt.

Continued on page 5, col 8

## Callaghan visit to Mr Sadat

From David Watts

Cairo, Jan 8

Mr Callaghan is expected to have talks with President Sadat of Egypt on the way back from the Indian sub-continent. British diplomats, sources said today, think arrangements for the visit were going ahead. It was hoped that it would take place on Friday evening, most probably in Aswan where Mr Sadat saw President Carter last week.

The invitation has apparently been outstanding since before the most recent visit to London of Mr Begin, the Israeli Prime Minister, last month. Egyptian officials took the opportunity of suggesting that Mr Callaghan should make a diversion on his homeward journey from Pakistan over the Red Sea.

Since the beginning of the present initiative, the Prime Minister and Mr Sadat have been in touch frequently by telephone and have exchanged messages continuously.

Egypt is keen to keep Britain involved in its campaign for a peace settlement as part of its overall strategy of enrolling maximum support so that the momentum towards a peace settlement becomes irresistible. Diplomats here define the British role as a "minor constructive" one in line with EEC policy.

Indian visit, page 5

## Murray plea to firemen supports TUC backing for 10 per cent pay guideline

By Paul Routledge

Labour Editor

Mr Len Murray, general secretary of the TUC, intervened yesterday in the firemen's strike, now in its ninth week, with an appeal to the men to accept the Government's "honourable and valuable" settlement.

His move may accelerate the trend towards a return to work after a recalled delegate conference of the Fire Brigades Union meets on Thursday, but union leaders still expect a close vote on their recommendation to accept the Home Secretary's formula of 10 per cent now and more later.

A split is emerging between the strike counties, where most fire brigades employing many part-timers want to go back on the terms offered, and city firemen, who are taking a stronger line. The first crack in the solidarity of the metropolitan areas came in Manchester on

Saturday when local leaders decided to recommend acceptance of the offer. Firemen in Norwich voted to stay out.

In his appeal to the strikers Mr Murray said nobody could doubt that the men's efforts and sacrifices had produced worthwhile gains.

On offer is a formula, underwritten by the Government itself, which means a substantial pay rise this year, and by November next year will put firemen in the £100-a-week bracket and then keep them level with skilled workers," he said.

On top of that is a six-hour cut in their working week later this year. These are very substantial advances. Many trade unionists have told me that they wish they could get a deal like this one.

He expressed the hope that the recalled conference would overwhelmingly endorse the positive recommendation by their executive, under whose leadership the dispute has been brought to what other trade

unionists believe is an honourable and valuable settlement. That is the farthest the TUC general secretary has gone in seeking to influence the course of the dispute, which the firemen tried unsuccessfully to make the business of the whole labour movement. Taken with his earlier comments, Mr Murray's intervention tends to confirm the view that the TUC will not mount a general assault on the 10 per cent wage guideline, and that the Government's pay policy will therefore hold.

At Thursday's FBU delegate conference the vote is expected to be close. First Welsh vote: Firemen in St Athys, Ceredigion, yesterday voted overwhelmingly in favour of accepting the Government offer, the first brigade in Wales to take a decision.

But before they return to work they are seeking the dismissal of seven men who have worked at Rhyl throughout the strike.

Fire deaths, page 2  
Leading article, page 13

## Law officers in race case move

The Attorney General and the Solicitor General are to call for the transcript of the summing-up by Judge McKinnon, QC, in the case in which a man who used the words "niggers, wogs and coons" was cleared on Friday of inciting racial hatred. The two law officers will decide whether anything said by the judge needs to be clarified as a point of law. If so, it would be referred to the Court of Appeal. Page 2

## Rome violence spreads

A right-wing youth remained in critical condition as violence spread through Rome in revenge for his shooting and the assassination of two of his companions. Reprisal attacks included the ransacking of a Communist Party office. Page 4

## Steel clash ahead

A demand by a subcommittee of the Select Committee on Nationalized Industries to be allowed to read correspondence between the Government and the British Steel Corporation over the corporation's steel crisis is expected to be resisted. Page 2

## Cleaner Mediterranean

All countries with coastlines on the Mediterranean—Albania excepted—will sign in Monte Carlo today ready to put down their signatures to a pact launching an all-out effort to save the inland sea from irremediable pollution. Page 4

## Merseyside car output faces new threat

New threats face Merseyside's troubled car plants today. A strike by 1,000 men over manning levels at Halewood could halt Ford car assembly operations within 48 hours. The Leyland strike at the Triumph factory at Speke starts its 11th week with little hope of settlement. Page 15

## Pit plan supported

Miners at Bettisbanger colliery, in Kent, followed the county's two other pits yesterday in voting to give their union leaders the power to negotiate local productivity schemes, two weeks after the local union leadership had tried through the courts to block the introduction of such deals. The other pits voted in favour of such schemes last week.

## Apartheid critic shot

Dr Richard Turner, an outspoken critic of apartheid until he was placed under a government banning order in 1973, was shot dead in front of his daughters at his Durban home. He was killed by a single shot fired through the window. Page 5

Rail fares: A Labour MP has called for tax relief for rail commuters after the introduction of the latest fare rises. 2

Future of TV: The White Paper on broadcasting is likely to reflect pressure to give newcomers a chance to improve regional coverage of commercial television. 4

France: M. Barre, the Prime Minister, launches the Government coalition's election programme with promises of tax freeze and bigger pensions. 4

Brazil: General Geisel's nominee as his successor to the presidency gives pledge of a return to democracy. 5

Leader page 13  
Letters: On dilemmas of modern medicine from Mr Ian Kennedy and Mrs Claire Tomlin; and on university studies from Mr J. P. Ward and Mr David Holbrook.  
Leading articles: Racial incitement; Fair terms for firemen.  
Features, pages 8 and 12  
Paul Wilkinson on how to beat the hijack menace; Eric Moonman describes how food aid is diverted from starving Ghanaians; Peter Hennessey presents a profile of Lord Allen.  
Arts, page 9  
Georgina Bartsch reviews *Lady Unknown*, by Edna Healey; Michael Church on weekend television; Joan Chissell on Peter Pears and Murray Perahia at Wigmore Hall; Irving Wardle on *A Bed of Roses* (Bush Theatre).  
Obituary, page 14  
Sir Hector MacLennan; Miss Ella Warren.  
Sport, pages 6-8  
Cricket: India build on advantage over Australia in fourth Test match; Rugby Union: Irish team for Murrayfield; Football: Only one on-League club in today's FA Cup draw; Tennis: Austria beat Brazil in King's Cup.  
Business News, pages 15-20  
Financial Editor: Basic rate comparison—one month later; Hyde guidelines: Lessons for the market.  
Business feature: Britain's trade imbalance with Japan is examined by Michael Meacher, Parliamentary Under-Secretary of State for Trade.  
Hugh Stephenson: Stark choices for British Leyland.  
Business management: The Lockheed aircraft company's recovery from its troubles is described by Frank Vogl.  
Business Diary: A new director for the EEC consumer protection service.

Home News 2, 4  
European News 4  
Overseas News 5  
Agriculture 14, 16  
Appointments 14, 16  
Arts 9  
Business 15-20  
Chess 2, 5  
Court 22  
Crossword 22  
Engagements 8, 12  
Features 8, 12  
Letters 13, 16

Monday Book 9  
Obituary 14  
Parliament 14  
Premium Bonds 14  
Property 10  
Science 10  
Snow Report 6-7  
Sport 7  
TV & Radio 21  
Theatre, etc 21  
25 Years Ago 21  
Weather 14  
Wills 14

## Fog delays air passengers

Hundreds of airline passengers were delayed by thick fog at Heathrow, London, early yesterday.

Overcast frost, combined with fog, made roads dangerous throughout much of Britain and there were several accidents. Forecast, page 2

## Are you losing the warmth of your family?

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# Mr Foot may try to avoid vote on MPs' demand for papers

At first sight it seems that some months ago when the select committee will need demand for plate was seen to Mr Foot's assent to get any b2 declining.

He did not accept that the unions had pursued political interests at the expense of their members' living standards. They had worked closely with the Labour Government to overcome the nation's economic difficulties. "That commitment to the Labour Party will continue," he declared flatly.

Conservatives have not yet

## ate death of 1 patient

**Treasury, Dec 16**  
**Mortgage Subsidies:** The average subsidy in 1977-78 was £228 a council house (excluding rent rebates). The average subsidy in tax relief and option mortgage subsidy for owner-occupiers was £117 an owner-occupied dwelling and £206 a mortgagor.

an most districts, is planning a parade through the capital today to demand protection for local policemen.

the figures for 1971-72 and 1972-73 do not include special grants of £100m and £130.7m, respectively.

deeds and are known to students and traders in the locality, rather than be more anonymous members of much larger stations".

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making a speech with the  
intention of stirring up ri  
hated.

Mr David Lane, chairman  
the Commission for R

The hotel, listed as a building of architectural merit, is a fine example of mid-Victorian Scottish architecture.

Published for the Executive Committee of the American Psychological Association by the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242. Copyright 1999 by the American Psychological Association. All rights reserved. Printed in the United States of America. This journal is indexed/abstracted in PsycINFO, PsycLIT, and PsycARTICLES. For a complete list of subscriptions, please contact the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242. For advertising rates, please contact the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242. For circulation information, please contact the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242. For subscription information, please contact the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242. For advertising rates, please contact the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242. For circulation information, please contact the American Psychological Association, 750 First Street, N.E., Washington, D.C. 20002-4242.

the United Kingdom working population at constant 1972 purchasing power was: 1972-73, 629; 1973-74, 680; 1974-75, 755; 1975-76, 747; 1976-77, 742.

The figure for 1976-77 is provisional.

*Treasury, Dec 15*

**Capital Transfer tax:** The maximum rate of tax on a gratuitous transfer of capital by a man on his

**Treasury, Dec 16**

the figures for 1971-72 and 1973-74 do not include special grants of £100m and £130.7m, respectively.

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lumi	1 10 31	Tunis	1 11 31
lurey	1 10 31	Vienna	1 11 31

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# Rothmans

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HOME NEWS

Man in the news: Out of the Hongkong frying pan into Northern Ireland fire

Testing time for BBC controller in Ulster

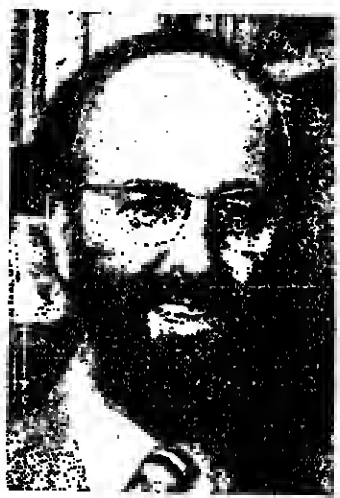
From Christopher Walker Belfast

Mr James Hawthorne, a former mathematics teacher, educational broadcaster and director of radio and television in Hongkong, takes over as BBC controller in Northern Ireland with an unusual string of qualifications and a strong determination to resist political pressure.

After a week in a job generally regarded as one of the most testing in the corporation, Mr Hawthorne has not lost the relaxed manner and sense of humour for which he was noted before leaving his native Belfast seven years ago.

"I have lived with pressure almost every day since then," he said yesterday. "Although the right of the broadcaster is theoretically upheld in Hongkong, it is constantly being challenged at almost every level of society."

His appointment comes at a time when the BBC's attitude towards reporting events in Ulster is again under attack from Conservative and Labour



Mr Hawthorne: "Used to living with pressure."

politicians. On the second morning at his new desk, one Fleet Street paper reported that leading Tory spokesman was threatening that a Conservative government would veto any increases in the licence fee if

more interviews with IRA men were omitted.

The latest upset was caused last month by a *Tonight* documentary which, during an extended analysis of the IRA's decline, included interviews with some leading figures in the organization. It came in the wake of a long and bitter series of public disagreements between broadcasters and Mr Mason, Secretary of State for Northern Ireland.

One of Mr Hawthorne's first tasks was to digest the mass of paperwork arising from the programme (which he will see for the first time on videotape later this month).

"Having seen the correspondence, I have a hunch that I would have done just the same," he said. "The public has certain expectations from politicians, others from civil servants, and from a public service broadcasting organization the prime expectation is that we will do our best to tell people what is happening."

Describing himself as "a tribal Protestant," Mr Hawthorne is one of those rare

Ulstermen who are equally at home on either side of the Irish border (his wife is a former all-Ireland folk-dancing champion). Outside work he combines a passion for fishing with a private interest in theology.

Now aged 47, he moved from teaching to the BBC in 1960 to set up educational broadcasting in Northern Ireland. The move to the television service came almost at the outbreak of the present Ulster crisis early in 1970.

Promotion to director of broadcasting brought him into regular contact with government ministers. "Unlike Britain, there was no board of governors and the buck stopped with me," he said.

He is conscious of having missed the many confrontations between the BBC and successive governments that have marked coverage of Ulster over the past eight years. "I feel as though I am joining the race on about the tenth lap," he told me. "But it still has a long way to go."

Comment on an Eton review 'gross travesty'

Comment in the *Daily Express* on an Eton College music review was a grossly inaccurate travesty, the Press Council says in an adjudication issued today.

It upheld a complaint by Mr David Anderson, editor of the *Eton College Chronicle*, that an item in the William Hickey column was a blatant misrepresentation of the review published in the school newspaper about a jazz concert given by Humphrey Lytelson and his band.

The school newspaper devoted almost a full page to the Lytelson concert and said there was little doubt it ranked among the most exciting forms of contemporary music.

The review described how "the sea of Etonians" rose to its feet to demand an encore. The final comment was that the concert "in general may be considered one of the biggest successes School Hall has seen for years".

The William Hickey column, commenting on the review, said Mr Lytelson had received a

poor notice in the paper of his old school. It said that when after 35 years he returned to perform with his band "little thanks be so".

The *Daily Express* gave two quotations from the *Chronicle* review. One said it was "hard to identify with the complex rhythm" and the other that Mike Payne's playing "was too sophisticated to ensure the response it deserved".

Mr Jeremy Deedes, deputy editor of the *Daily Express*, told the Press Council that the point of the Hickey paragraph was that in spite of the popularity of Humphrey Lytelson and his band some of the numbers were not totally understood by the Etonians in the audience. The original article had been much longer and its quotations more qualified, but the item had been cut for space reasons, which resulted in a lack of context.

The Press Council's adjudication was: "The *Express* considers the article to be a grossly inaccurate travesty of what was an intelligent, objective and careful article of a sort that gave great praise to Humphrey Lytelson. The complaint against the *Daily Express* is upheld."



Part of John Opie's "The Murder of Becket in Canterbury Cathedral", which has been acquired by Canterbury city museums.

Commercial TV newcomers may gain better coverage

By Kenneth Gooling

Pressure to give newcomers a chance to improve the regional coverage of commercial television is likely to be reflected in the Government's White Paper on the future of broadcasting. It is expected to be published late next month or early in March.

It is 10 years since the Independent Broadcasting Authority (IBA) last reallocated franchises by bringing in Yorkshire Television to make up the so-called "big five" companies, which also include Thames, London Weekend, ATV, the Midlands company, and Granada in Manchester.

There has been intensive lobbying of MPs in favour of establishing an East Midlands station, which would mean the breakup of the Midlands region under ATV, a company which could find its franchise in danger. In the 1968 reshuffle Rediffusion and TVW (Wales and West) lost their franchises.

Grampian, covering north-east Scotland, has been given a part of Scottish Television's region. The ATV company is

increasingly preoccupied with feature film production, which means big orders abroad but, its critics say, at the expense of its television operation at home. The White Paper is still in draft form and may yet be amended. If, as has been reported, it is recommended that the fourth television channel should go to the commercial network, that would run counter to the proposal by the Annan committee for an open broadcasting authority, independently run, but would also be unpopular with the Labour Party's left wing.

The BBC charter and the IBA Act are due for renewal next year, having been extended by three years while the Annan committee was deliberating. A further extension is regarded as almost inevitable to give time for legislation after publication of the White Paper.

A change of government might throw the whole issue into the melting pot. It was a Conservative government that cancelled Labour's original decision to hold a broadcasting inquiry and Labour reinstated it when it was returned to office. The Annan report last spring was the result.

A twentieth of land vacant in metropolitan areas

By Our Planning Reporter

About a twentieth of all land in the metropolitan areas of Britain is vacant, according to a survey published in the January issue of *The Planner*, the journal of the Royal Town Planning Institute.

The figures cover the six English metropolitan counties, Greater London, and Strathclyde in Scotland. They include 0.70 per cent in Strathclyde, 5.79 per cent in South Yorkshire and 5.80 per cent in Merseyside.

However, the figure for Strathclyde is unrealistic, as the county covers a huge area, most of it rural. A better indication is provided by the statistics for the inner cities, which show vacancy rates of 11.93 per cent in Glasgow, 10.26 per cent in Liverpool, 7.26 per cent in Birmingham and 5.58 per cent in London.

The survey adds that in the inner east end of Glasgow, "probably the worst area of urban decay in the country",

land vacancy is about 20 per cent. In some east London boroughs it is more than 10 per cent.

In the principal cities, demolition sites account for less than a quarter of vacant land, the survey states. The rest consists of waste land, either officially classified as derelict or merely neglected.

Ownership appears to be split fairly evenly between the public and private sector, although more than half the "private" land may be owned by statutory undertakers.

The author, Mr John Burrows, who is working on the Glasgow eastern area renewal project, suggests that, where possible, the land should be used for development, income from land tax should be used to finance the clearance and preparation of sites.

Regular reviews should be carried out and yearly press statements issued giving reasons why important sites have remained vacant.

Hidden danger of bovine blood cancer best met by policy of exclusion

Enzootic bovine leukaemia (EBL), which may be loosely described as an infectious blood cancer of cattle and for which there is no known cure, became a notifiable disease in Britain on December 1, 1977. A single virus is believed to be the cause and the main signs of the disease are multiple tumours and a high number of lymphocyte cells in the blood, associated with chronic ill health, anaemia and weakness. Anyone suspecting the disease in either living cattle or in carcasses must notify the police or the local authority veterinary officer.

Non-infectious bovine leukaemia already occurs in Britain but fortunately the tests for the infectious form seem to be highly specific. There should be little difficulty therefore in clearing the sporadic cases of non-infectious leukaemia, which will now be routinely reported. Most of those inevitable false alarms will arise at routine carcass inspection in slaughterhouses and, from existing data, should be about a thousand possible cases a year.

It is believed that the infectious form of the disease has not yet occurred in Britain but outbreaks of EBL have been described in East and West Germany, France, Holland, Denmark, Switzerland, Sweden, Finland, the Soviet Union, Turkey, Israel, India, Australia and the United States.

Agriculture

By our Veterinary Correspondent

country that has reached the point of suppressing clinical cases but even after several years of effort there positive cases of virus infection are still being detected. Such eradication schemes are expensive, hence it is far better that the disease should be kept out of the British national herd, if it did appear Britain's export trade would undoubtedly suffer.

EBL is an insidious disease. The virus might be detected as early as three months after infection, but clinical signs might not develop for another two years; more often, nothing obvious is seen for four to eight years. It might be 10 years after the introduction of an infected animal before a herd problem of EBL became apparent. Consequently, the importing of a carrier animal into Britain could bring hidden danger.

The free trade regulations of the EEC carry the risk of spreading animal disease, such as EBL. Aware of this risk, the EEC Commission permits countries that already have special disease control schemes in operation to protect their interests. As it could not have been argued that Britain had an existing control scheme until EBL was made a notifiable disease and routine investigation of carcasses were in operation, the relevant order under the British Disease of Animals Act had to be

rushed through. Now that Britain's position has been secured, it has sought for permission to impose conditions on imports of cattle from other EEC countries.

Should British cattle indeed be free from EBL, control of imported cattle becomes crucial, and all imports in future will carry the condition that they may be officially tested for up to six months after entry for evidence of the virus. Unfortunately the 1977 order has no retrospective power to test cattle imported before December 1 last but because there might be some incubating cases among the several thousand cattle imported in the past 10 years the Ministry of Agriculture is writing to all the exotic breed societies, seeking their voluntary cooperation in a programme of retrospective testing. This proposal has the full support of the British Veterinary Association, the National Farmers' Union and the National Association of Cattle Breeders but could ultimately be blocked by individual owners.

Some test results are available on those recently imported animals because many of them are in herds from which exports have occurred and for which EBL testing is required. While those negative tests are encouraging, the net is far from being fully closed and every effort must be made to find a focus of infection before it is too late. The ministry is encouraging cooperation by offering to synchronize EBL testing in those herds with routine blood sampling for the sale of all cattle breeders. It must be hoped that every potential risk in Britain will be offered for testing and clearance from suspicion.

Call for school governors at 15

A change in the law to enable pupils aged 15 to serve as secondary school governors is called for in the January edition of *Where*, the education magazine for parents published by the Advisory Centre for Education (ACE) Ltd.

Ace puts forward 15 rather than 16 years because it believes that the interests of early leavers are often different from those of pupils staying at school until they are 16 or 19.

Car racing pupil hurt

Michael Thomas, aged 23, of Byfield Road, Weybridge, Surrey, suffered serious head injuries yesterday while he was practising at Goodwood Motor Racing School, near Chichester. His car hit a vehicle parked beside the track.

WEST EUROPE

French Premier launches election programme with promises of tax freeze and bigger pensions

From Charles Hargrove Blois, Jan 8

M. Barre, the Prime Minister, yesterday set out the Government's objectives for the next five years and so launched the programme on which it will fight the parliamentary elections in March.

Addressing a mass meeting at Blois, a town that is geographically, politically and emotionally at the centre of France, he outlined 20 different measures to be adopted if the Government retains its majority.

They included a moratorium on tax increases for two years, but a possible wealth tax; bigger family allowances and old age pensions; an extension of pregnancy leave; doubling the number of telephones in five years; shorter hours for workers in heavy industry; holidays for all children and adolescents; and 10,000 more police to ensure the citizen's security.

He also mentioned more far-reaching reforms such as the strengthening of the rights of citizens against the bureaucracy; the appointment of an "Ombudsman" in all departments; the participation of workers in the running of large firms; and special measures for the employment of young people.

"We choose reform, not upheaval; evolution, not revolution," the Prime Minister said. "The crowd of 7,000 who had packed into a vast circus tent to hear him, the Government's objectives, he said, had been selected in such a way that, spread over five years, their

cost could be borne without harm by the economy.

The cost has not yet been revealed, but according to reliable sources, it amounts over five years to what the common programme of the left would cost the country in one year.

The choice of Blois for the meeting was not fortuitous. This town of 45,000 inhabitants, on the Loire, is symbolic of the "deep France" of the grassroots and the provinces which has a special appeal for M. Barre.

"We wanted a medium-sized town, characteristic of France, with an historic past, located at the heart of the country," he said in an interview with the local newspaper. "And Blois is in the centre of the Centre Region. It is a region of moderation."

It was a well-behaved crowd. There was no wild cheering or shouting, no chanting of slogans. Characteristically the passage in his speech which got almost the biggest hand dealt with restrictions on the broadcasting of scenes of violence on television at peak viewing times. Here was indeed a gathering of the "deep France" close to his heart.

The crowd had been regaled for more than an hour with stately pieces of classical music played out by loudspeakers when M. Barre arrived. Like a conquering hero, having driven over with all the ministers from Rambouillet, where they spent two days with President Giscard d'Estaing putting the finishing touches to the Government's programme. There was something dis-

tinctly Gaullist in the way the ministers all sat like schoolboys in two tiers on the left of the stage draped in blue, while the Prime Minister spoke from a towering rostrum from the right of it.

His speech was a eulogy of political and especially economic liberalism, with distinctly Gaullist strains spoken in a rather unemotional, academic tone, but determined and decisive in content.

He launched into a vigorous attack on the opposition parties. How could they govern together, he asked, when they disagreed on essentials and never ceased to accuse one another of treason? All they proposed was "economic adventure and political powerlessness."

The Gaullist strain came in his emphasis on the need for a national design, in his appeal to Frenchmen and women to unite beyond their legitimate differences in a climate of tolerance, understanding, and broad unity "and to have confidence in themselves and France."

"I never hid the truth from you," he declared. "I never promised anything that was illusory. I never concealed the fact that in the implacable world in which we live, there is no other law but effort."

"But I have faith. You are not a decadent or tired people. You are a people who have in 20 years transformed France and today vigorously carry through change for progress amid the worst possible difficulties."

Widening split puts left poll pact in doubt

From Our Own Correspondent Paris, Jan 8

The breach between French Socialists and Communists widened this weekend.

A special national conference called by the Communist Party to determine its electoral strategy not only dashed the lingering hope of the two parties agreeing on a patched-up Common Programme, but also cast grave doubts on the possibility of their reaching a purely electoral agreement to help each other's candidates in the run off ballot of the March elections.

The Communists, it was made clear, would not in any case decide their strategy until the very last moment, i.e. the evening of the first ballot.

M. Georges Marchais, the Communist Party leader, told the conference that the essential problem was the number of votes the communist Party polled in the first ballot on March 12.

"Why try to tackle the problem differently," he asked. "Why try to settle the question of the second ballot, before that of the first. To do so would be to abandon the struggle for the future, and cross out at a stroke of the pen the possibility of the change we want."

The Socialists have been pressing the Communists ever since the breakdown of talks on the drafting of the Common Programme last September to agree at least on the withdrawal of the candidate of the left less well placed to win in the second ballot in order not to split the opposition vote.

Violence spreads in Rome after killings

Rome, Jan 8.—A right-wing youth remained in critical condition today as violence spread through the city in revenge for his shooting and the assassination of two of his companions.

Reprisal attacks included the ransacking of a Communist Party office, burning of cars, breaking of shop windows and attacks on people by bands of youths.

Doctors at San Giovanni hospital said they had given up hope for the survival of Stefano Ruffini, aged 29, who was shot in the head by a band of youths after being shot in the head. He was injured in clashes between right-wing youths and police following the killing of two youths yesterday.

Signor Francesco Cossiga, the Interior Minister, called an emergency meeting with senior police officials today to examine the situation, and city officials announced there would be an emergency meeting tomorrow on the issue of public order.

British teacher, Mr John Walker, aged 23, was taken to hospital after rightists saw him get off a bus carrying a left-wing newspaper and beat him up.

One left-wing youth was stabbed and another had his nose broken in scuffles near the office of the neo-fascist Italian Social Movement. In a side street some 30 youths set fire to 15 private cars and a bus.

Another gang threw fire-bombs at the Italian Communist Party headquarters.

Eighteen states will sign Monte Carlo pact

Rivals on land bury differences to bale out Mediterranean

From Ian Murray Paris, Jan 8

The first concerted international effort to clean up the Mediterranean will almost certainly be agreed at the week-long conference of 18 countries which begins in Monte Carlo in the morning.

Two years of preparatory work has already been done by delegates from these countries, all with a Mediterranean coastline. A great deal of scientific research has been undertaken and coordinated by the United Nations Environmental Programme (Unep).

Naples long in dispute, such as Morocco and Algeria, Turkey and Greece and Israel and Lebanon, will be singing hymns to the agreement. If one or two are not represented it will be merely for domestic reasons. The chances are that they will certainly sign before long.

Something like 120 cities pump raw sewage into the Mediterranean and 90 per cent of it is untreated. Factories far inland producing every possible combination of poisonous matter simply tip their waste into the nearest river and let it carry the pollution out to sea. For years ships have cleaned their crude oil tanks out at sea.

The Mediterranean has only a minute tide so that it takes something like a century for the Atlantic to empty through the Pillars of Hercules and completely change the water. The main rivers feeding the

sea, like the Rhone, Po and Nile, are so polluted that their waters merely add to the problem.

Scientists have calculated that one swimmer in seven can be sure to pick up a virus infection. In 1973 a cholera outbreak in the Bay of Naples killed 22 people. The level of bacteria in fish is so high that Adriatic fishermen have been found to have retained enough of it in their bodies to kill a cat. Researchers say that eating 5lb of Mediterranean-caught fish a week is a sure way to commit suicide—although it will take about 20 years.

Stringent controls about pollution by oil spillage and dumping from tankers and aircraft were quickly agreed at a conference in Barcelona. A conference on hazardous waste from the Maltese island of Manoel has been functioning since the end of 1976.

Land-based pollution is the main problem now. The countries involved agreed that something had to be done to stop the dumping of heavy metals, chemicals and other wastes and that sewage treatment plants were essential everywhere.

They agreed on a "black list" of substances such as mercury and radioactive waste that should never be put into the sea and a "grey list" of chemicals such as arsenic and cyanide which could be dumped only under special licence.

But the cost of implementing this Mediterranean Action Plan was prohibitive. An estimated £2,800m, equivalent to around £4 a head for every citizen of every country involved.

Blaming the richer countries for causing most of the pollution, the poorer nations felt they should contribute less. The negotiations developed into something of a north-south dialogue.

After another conference in Athens a year ago, a chain of 72 laboratories was set up in 14 of the nations, each sponsored by the individual country under Unep guidance so that there could be no argument about the findings.

In July, scientists from most of the countries met in Monte Carlo to look at the results from the laboratories and agree what the findings meant. In October the legal and technical experts met in Venice and agreed on the principles of the draft treaty which is now being discussed in Monte Carlo over the coming week.

"At the best it will be 20 years before the plan is in force and even then permitted pollution will still be going on. The Mediterranean is the world's most polluted sea, and unless the plan works the likelihood is that the tourists will remember the fish in five years' time. Small wonder, therefore, that traditional rival countries are desperate to bury their differences as facing this common danger to their livelihoods."

E Germany's 'two dozen ruling families' attacked

From Greta Spitzer Berlin, Jan 8

A crushing verdict on the East German regime is made in a further instalment of the manifesto allegedly drawn up by an opposition group called "Revolution of Democratic Communists," which appears in the new edition of *Der Spiegel*, the West German magazine.

It comments: "No ruling class in Germany ever sought to secure its power by force against the people the way those two dozen families who use our country as a self-service shop. None had such excessive golden ghettos built for itself in the forest, awarded like fortresses. In a side street some 30 youths set fire to 15 private cars and a bus."

"None has so corrupted and enriched itself so shamelessly in special shops and by private imports from the West, by tin medals, bonuses and special clinics, pensions and gifts like this caste."

Specific allegations against Herr Erich Honecker, the East German leader, include securing three decorations for his family, equipping the houses of his relatives "from cellar to roof with the most modern Western comfort" and providing positions of influence for his brother-in-law, his wife and father-in-law.

It also says East Germany is governed arbitrarily and asks when the Politburo will be punished for its trade in human beings, claiming that DM 50,000 (£12,500) is demanded for freeing critics of the regime.

It says the clique of party and Government leaders has done more damage to the socialist idea in Germany and Europe than all the "propaganda of the enemy."

East Germany has refused to allow a new correspondent of *Der Spiegel* into East Berlin.

*Der Spiegel* is still withholding information on the authors of the "manifesto". At first it said they came from lower and middle-level officials of the East German party. It now says that they hold various honorary positions within the party.

Press photographer sought after Basque bombing

From Harry Debelius Madrid, Jan 8

A Basque newspaper photographer was the object of a widespread manhunt today after Basque terrorists attacked three police stations in northern Spain in less than six hours.

Police are said to be "greatly concerned" about the latest outbreak of violence by the separatist organization ETA (Basque Homeland and Liberty), which seeks a run of explosives in two hitjackings in the Basque country at the end of last month.

The last communiqué of the extremist movement, issued shortly after the explosives were stolen, promised increased violence and hinted that police would be prime targets.

"Until the repressive forces of the civil guard, the security police and the general police corps are withdrawn from the

territory of Euzkadi (the Basque country), ETA will continue its armed actions, and will increase them at all levels," it stated.

Señor Josechu Zaldua, the sought newspaper photographer, is suspected, according to a statement issued yesterday by the "Provisional Government of Navarra," of taking part in a foiled bomb attack on a police station in Pamplona early yesterday morning.

In the incident, police wounded and captured one suspected ETA activist in a gun fight and managed to defuse a bomb which had been left in a dustbin outside the police station.

The same morning, ETA also blew up a police car in the industrial town of Eibar, slightly injuring two policemen, and machine-gunned a Civil Guard barracks in the coastal town of Ondarroa.

Tower on fire

Paris, Jan 8.—The Eiffel Tower was on fire yesterday after an electrical fault had set the second floor smoking ablaze. It had been mounted with thousands of lights for the Christmas and New Year celebrations.

Communists accept Spanish monarchy

From Our Correspondent Madrid, Jan 8

The tenth congress of the Spanish Communist Workers' Party (PCOE) ended here today with the resounding endorsement of Senor Riquelme Lister as Secretary General.

Senor Lister, who considers the Eurocommunist leader of the Spanish Communist Party, Senor Santiago Carrillo, apostate, told the PCOE party congress that Senor Carrillo is really a "Euro-opportunist" and a social democrat in disguise.

Ignoring the attacks, the Spanish Communist Party this weekend announced that it will not oppose the definition of the Spanish state as a monarchy in the draft constitution soon to be voted on by Parliament.

Political rifts hinder Soares efforts

From Our Correspondent Lisbon, Jan 8

Dis Mario Soares, the outgoing Socialist Prime Minister, appointed by President Eanes to attempt to form a new government, has until tomorrow to complete his task.

In four weeks of negotiations he was trying to find a platform of agreement with the Social Democrats, Christian Democrats and Communists. The need for a steady majority government has been pointed out by both the President and the Opposition.

The public has become increasingly aware of a lack of any attempt towards national unity in spite of the economic and social crisis. Politics seem to prevail above national unity.

Rifts have been reported within the Social Democrats and Christian Democrats, where right-wing elements are at loggerheads with radicals.

One point of agreement between Social Democrats and Christian Democrats is their refusal to negotiate with the Communists, who display a

united front and voice willingness to promote understanding. They object, however, to a Socialist government including Social Democratic and Christian Democratic elements.

The Social Democratic Party's national council is meeting at the weekend in Faro and that of the Christian Democrats in Lisbon.

The Christian Democrats have veered distinctly towards a willingness to come to an understanding with the Socialists, which the Social Democrats do not seem to share.



## VERSEAS

## Opponent of apartheid killed by gunman in front of his daughters

Our Correspondent  
Nesburg, Jan 8  
Richard Turner, aged 40, a lecturer who was an outspoken critic of apartheid, was killed by a gunman in front of his daughters in Durban last night. The killing was witnessed by his young daughters.

Turner was a former political science lecturer at the University of Natal. His murder fits the pattern of similar offences against people who opposed apartheid in the past few years.

Turner was a former political science lecturer at the University of Natal. His murder fits the pattern of similar offences against people who opposed apartheid in the past few years.

He was critically ill tonight with three bullet wounds in his back, arm and leg. He was able to identify his attacker as an African but Dr Turner's daughters were unable to see their father's killer.

Evidence concerning the conduct of two doctors who examined Steve Biko, the Black Consciousness leader, in the days before his death in police detention is being referred to the South African Medical and Dental Council.

The action is being taken by Mr. Martinus Prins, the Pretoria chief magistrate, who found that nobody was criminally responsible for Mr. Biko's death.

He is forwarding "relevant portions" of the inquest record to the council under a section of the Health Service Act covering professional conduct. This states that a court record is to be submitted if it appears "there is prima facie proof of improper or disgraceful conduct on the part of a registered person".

The two district surgeons who gave evidence at the inquest, Dr Ivor Lang and Dr Benjamin Tucker, were accused by Mr. Sydney Kentridge, counsel for the Biko family, of engaging in a "conspiracy of silence" with the security police to conceal the true nature of Mr. Biko's injuries.

Unwashed riots: Police opened fire on crowds of stone-throwing blacks in townships near Port Elizabeth, wounding at least six people in separate incidents over the weekend.—Reuter.

## Callaghan soft line on Indian reactors

From Richard Wigg  
Agra, Jan 8

Mr. Callaghan, after broaching the vital but highly sensitive problem of nuclear safeguards to prevent proliferation with Mr. Desai, the Indian Prime Minister, went today to see the Taj Mahal and watched Indian classical dancing girls in the abandoned Mogul capital city of Fatehpur, near Agra.

India's reluctance to accept more nuclear safeguards, which caused Mr. Desai to disagree with President Carter when he was in Delhi last week, evidently led the British Prime Minister to play his hand carefully when he met Mr. Desai for 90 minutes yesterday. The subject was not even raised when the two sides met later for plenary talks.

The British evidently accept that India for prestige reasons could not sign the non-proliferation treaty today any more than in the past.

Mr. Callaghan has to be wary. For any impression that he is "leaning" on Mr. Desai is likely to rebound. The Janata Government has to take account of national sentiment against the nuclear powers, the "vertical proliferators" as they are known here because they increase stocks and put pressure on those who have no arms and have renounced them, to stop a kind of rogue elephant to be lured into a pit "as one official put it to me just before the Callaghan visit."

On the face of it, it is difficult to see how a formula could be devised which would satisfy the conflicting interests without the prestige issue resurfacing.

Mr. Callaghan will have a chance to sound out Mr. Desai on his reactions in the two remaining days, including Tuesday in Gujarat when the Indian Prime Minister will accompany him.

Today the British Prime Minister gave himself eagerly to a day of Indian history and culture. It was not his first visit to the Taj but the VUP agreement accorded the official party, and even British and Indian journalists allowed one of the world's most beautiful buildings to be enjoyed amid a serenity which modern tourism from the rich West is now making increasingly elusive.

Mr. Callaghan posed with the Taj as backdrop for British television, and had ready an appropriate quotation. But he was somewhat less formal when photographers insisted he should sit with Mrs. Callaghan for the family photo "on a marble bench overlooking the gardens before the mausoleum." "You photographers hurry up. My bottom is getting cold," he told them.

The Prime Minister watched the southern Indian dances to the sound of the Sitar, Tabla and harmonium at Fatehpur, the "citadel of victory" built and then abandoned by the Emperor Akbar. A buffet lunch followed. In the afternoon Mr. Callaghan went by an Indian Air Force helicopter to the Bharatpur bird sanctuary.

As a gesture to help the Janata Government's new emphasis on rural development



Time for Mr. Callaghan to take a look at the splendours of the Taj Mahal.

## Thousands join funeral march for PLO envoy

Beirut, Jan 8.—The Palestine Liberation Organization (PLO) held a memorial procession in driving rain and hail today for Saeed Hammami, its murdered London representative.

Mr. Hammami's coffin, draped in the PLO flag, moved slowly through the Palestinian and Muslim suburb of Tarik al-Jadid in south Beirut on the back of a flower-decked lorry.

White-helmeted PLO guards stood on either side of the coffin. Mr. Yasser Arafat, the PLO chairman and a close friend of Mr. Hammami, walked behind the coffin arm-in-arm with the dead man's widow. With them were other members of the PLO executive committee.

In a eulogy, Mr. Arafat accused the United States of "instigating the assassination" of Mr. Hammami. "The Zionist-imperialist hired hand who assassinated Hammami was instructed by the United States," he said.

Yesterday Mr. Salah Khalaf, Mr. Arafat's chief aide, indicated that the PLO suspected either Iraqi or Syrian-backed Palestinian dissidents of the killing.

Initially, up to 5,000 people joined in the procession, but the fierce rain quickly cut the crowd to less than 1,000. Afterward, the body was flown to Amman for a family burial.—AP and UPI.

Edward Mortimer writes: Among the mourners at a funeral service at Regent's Park mosque on Saturday, the key figure in the PLO's unofficial

diplomacy over the past two years, particularly in contacts with moderate Israelis.

Dr Sartawi, like Mr. Hammami himself, has been repeatedly attacked by "reactionist" Palestinians because of these contacts and because of his advocacy of compromise solutions involving coexistence with Israel.

Indeed, in recent weeks, he has been the object of more public opprobrium than Mr. Hammami because, on December 12 in a lecture in Vienna, he expressed admiration for President Sadat's peace initiative. After this, 134 members of the Palestine National Council signed a letter demanding his expulsion. But Mr. Arafat is believed to have intervened to defend Dr Sartawi's right to express his opinion.

If, as is widely believed, Mr. Hammami was the victim of a reactionist group, then Dr Sartawi's life too is implicitly threatened.

Besides Dr Sartawi, the funeral service was attended by the four-man official PLO delegation, three of whom returned to Beirut with the body while the other, Mr. Nabil Ramlawi, is remaining to take over Mr. Hammami's work.

Also present were more than 400 Arabs resident in London, including most of the ambassadors and a number of British friends. At least three Israelis were present: Mr. Dan Gilon, director of the American Jewish organization B'nai B'rith, and Mrs. Moshe Machover, members of the Israeli Marxist group called Matzpen.

## Search for killers of white farmer's family

Frederick Cleary  
Johannesburg, Jan 8  
Riot forces were sweeping countryside west of Johannesburg today in search of the killers of a white farmer and his wife and daughter.

Sheila Cumming, who died yesterday after being terrorized in the Norton farming area, was found in a car with 30 miles west of Johannesburg.

According to neighbours, Cumming, Sarah and daughter, Victoria, were at the Camarie farm by her brother-in-law the attack occurred. The bodies of the three were found about 50 seconds.

Cumming and Sarah both outside the house, Victoria, who is five, with injuries to her legs. Security forces in the scene soon after it so far there has been no sign of the killers. The family are of stock having arrived in 1933.

In the day more than 100 farmers at Lake Tloane park were evacuated as security hunters for four armed

guerrillas who had been sighted in the area.

Roadblocks were set up in the park—a popular resort which is full of wildlife—and on the main road from Salisbury to Bulawayo. Fishermen and people staying in lake shore chalets were asked to leave.

It was while this evacuation was being carried out that the killers struck.

The wife of a senior side of Mr. Joshua Momo, the Patriotic Front leader, Mrs. Maria Masika, was saved by her bedroom curtains in Bulawayo at the weekend when two grenades were thrown into her bedroom where Mrs. Masika, a housewife, and a young nephew were sleeping.

The grenade hit the curtains, dropped onto the floor, rolled under the bed and exploded. Mrs. Masika, a close relative of Mr. Momo, was wounded in the face by shrapnel and the children were slightly hurt on their arms and legs.

Lord Carver's talks: Talks between President Machel of Mozambique and Field-Marshal Lord Carver, the British Representative Commissioner designate for Rhodesia, were continuing tonight, a spokesman said in Maputo today.

## Next head of state in Brazil is likely to be 'inscrutable' chief of intelligence

### Democracy pledge by Geisel nominee

From Patrick Knight  
Sao Paulo, Jan 8

General Joao Baptista Figueiredo, nominated last week by President Geisel of Brazil to stand as presidential candidate, is virtually certain to be formally adopted by the ruling Alliance for National Renewal (Arena) later this year. But he is little known in recent polls in Rio de Janeiro 52 per cent of those asked had never heard of him.

He is head of the intelligence service and is very similar to the man he is being groomed to succeed in 14 months. He was top in every army examination, avoids social gatherings, is austere and does not drink. He even shares General Geisel's pastimes, chess and snooker, although he is also a keen horseman.



General Figueiredo: expert on security.

General Figueiredo, who will be 60 next Sunday, comes from a military family. Two of his brothers are also generals, another is a writer. His father, General Euclydes Figueiredo, is said to be a liberal, because he joined a group of liberals in opposition to the populist politician, Senator Getulio Vargas.

General Figueiredo became involved in intelligence work early in his career. He was one of the leading strategists of the 1964 military coup.

He was chief of the presidential military household of President Emílio Médici, and became head of the intelligence service when General Geisel assumed power. His post puts him at the top of the security system and has earned him the nickname of "the security general". His constant wearing of a dark jacket, even at night and on horseback, gives him an air of inscrutability. Among his

favoured reading is Orwell's 1984.

The selection of General Figueiredo has aroused concern that the choice of a leader has been reduced to a confined circle. President Geisel, who believes in centralization, has greatly widened the powers of the presidency during his term. He is said to be the most powerful head of state Brazil has ever had. He has been able to ensure that his own nominee will succeed him, a thing none of his three predecessors was able to achieve.

But this does not mean that General Figueiredo will have enough support, notably from the armed forces, to maintain himself in power for six years.

His nomination was overshadowed by the surprise resignation of the head of General Geisel's own military household, General Hugo Abreu, who left precisely because he

felt that the selection procedure was not open enough.

General Abreu's departure comes closely after that of General Sylvio Frota, the Minister of the Army who was dismissed in October for losing presidential aspirations of his own. Both these generals are closer to the main line of army thinking than General Figueiredo is, having been isolated in Brasília for so long.

Hundreds of miles from another big city, Brasília is equally distant from most social and political realities. There are fears that both General Geisel and his nominee have lost contact with them as well. In informal interviews General Figueiredo has indicated that he wants a return to full democracy, an end to special powers Acts, a partial amnesty for political offenders, and four or five new political parties to replace the two created by decree in 1966. He wants agriculture to be given priority, and regional imbalances rectified. But all these have been objectives of his four predecessors, and have not been achieved.

There are fears that General Figueiredo will not have the power to carry them out either and that he might have in rule with a firm hand at a time when the opinion is shared that Brazil needs a looser rein.

His formal adoption by the Arena may be brought forward from October to March, rather than the hurried nomination last week is felt to have been precipitated by the growing threat to General Geisel's plans from Senator Magalhães Pinto, the civilian candidate. Senator Pinto has said that he would welcome the support of both General Frota and General Abreu in his campaign.

## isoners of science

igoslavia: Novakovic  
fford Loogley  
igoslavia is a federation of ics, some of which have ry of tension between Strong regional loyalties to be regarded by the ties as a potential threat onal unity.

act with expatriate alist groups is particularly discouraged and igoslavia penal code bans cts with hostile organizations.

in this clause Mr Nikola ivic was sentenced to 12 imprisonment, and com of all property.

He is believed to e state penitentiary, and he is known to from a heart condition, m acute rheumatism. He and a pharmacologist by ion.

"hostile organization" tion in this case was the in peasant party, of he had been a member it was outlawed and still exists among Croa communities abroad. rding to the judge at his be party is "systematic- rying to overthrow the al system by uncouth and violent means".

Novakovic denied that he working to support the which has in any case en associated with the policies of some other

## Korchnoi keeps lead with four games to go

Belgrade, Jan 8.—Viktor Korchnoi and Boris Spassky yesterday drew their adjourned sixteen-move game after only five more moves.

With four games remaining to be played, Korchnoi now leads 8½-7½ in the match to decide who will challenge Anatoly Karpov, the world champion. These were the moves of the game:

White: Spassky, black: Korchnoi

1. e4 e5 2. Nf3 Nc6 3. Bb5 Nf6 4. d4 exd4 5. Nxd4 Bc5 6. Bxc5 Nxc5 7. Nxc5 Bxc5 8. Qd2 Qd6 9. Bf4 Bf8 10. O-O O-O 11. Bg5 Bg7 12. Bf4 Bf8 13. Qd2 Qd6 14. Bf4 Bf8 15. Qd2 Qd6 16. Bf4 Bf8 17. Qd2 Qd6 18. Bf4 Bf8 19. Qd2 Qd6 20. Bf4 Bf8 21. Qd2 Qd6 22. Bf4 Bf8 23. Qd2 Qd6 24. Bf4 Bf8 25. Qd2 Qd6 26. Bf4 Bf8 27. Qd2 Qd6 28. Bf4 Bf8 29. Qd2 Qd6 30. Bf4 Bf8 31. Qd2 Qd6 32. Bf4 Bf8 33. Qd2 Qd6 34. Bf4 Bf8 35. Qd2 Qd6 36. Bf4 Bf8 37. Qd2 Qd6 38. Bf4 Bf8 39. Qd2 Qd6 40. Bf4 Bf8 41. Qd2 Qd6 42. Bf4 Bf8 43. Qd2 Qd6 44. Bf4 Bf8 45. Qd2 Qd6 46. Bf4 Bf8 47. Qd2 Qd6 48. Bf4 Bf8 49. Qd2 Qd6 50. Bf4 Bf8 51. Qd2 Qd6 52. Bf4 Bf8 53. Qd2 Qd6 54. Bf4 Bf8 55. Qd2 Qd6 56. Bf4 Bf8 57. Qd2 Qd6 58. Bf4 Bf8 59. Qd2 Qd6 60. Bf4 Bf8 61. Qd2 Qd6 62. Bf4 Bf8 63. Qd2 Qd6 64. Bf4 Bf8 65. Qd2 Qd6 66. Bf4 Bf8 67. Qd2 Qd6 68. Bf4 Bf8 69. Qd2 Qd6 70. Bf4 Bf8 71. Qd2 Qd6 72. Bf4 Bf8 73. Qd2 Qd6 74. Bf4 Bf8 75. Qd2 Qd6 76. Bf4 Bf8 77. Qd2 Qd6 78. Bf4 Bf8 79. Qd2 Qd6 80. Bf4 Bf8 81. Qd2 Qd6 82. Bf4 Bf8 83. Qd2 Qd6 84. Bf4 Bf8 85. Qd2 Qd6 86. Bf4 Bf8 87. Qd2 Qd6 88. Bf4 Bf8 89. Qd2 Qd6 90. Bf4 Bf8 91. Qd2 Qd6 92. Bf4 Bf8 93. Qd2 Qd6 94. Bf4 Bf8 95. Qd2 Qd6 96. Bf4 Bf8 97. Qd2 Qd6 98. Bf4 Bf8 99. Qd2 Qd6 100. Bf4 Bf8

## Japan did atom research in Second World War

Tokyo, Jan 8.—A leading Japanese physicist said today that Japan levelled development of nuclear energy during the Second World War but suspended research when the equipment involved was destroyed by an air raid in May, 1945.

Professor Eizo Taji of Rikkyo University, a member of Japan's wartime atomic energy research team, was commenting on a statement yesterday by Dr Herbert York, a University of California historian.

Dr York said he and a colleague had discovered evidence that Japan tried to develop its own atomic bomb during the war but had abandoned the project because of the lack of manpower and resources.

Professor Taji, who is 65, said the Japanese atomic research had not been aimed at making bombs.

He said the project never reached a practical stage.—Reuter and AP.

## Soviet TV shows confession by Mr Klymchuk

Moscow, Jan 8.—Andrei Klymchuk, the 22-year-old British releasee, who returned home on Thursday after six months in a Soviet jail, has been shown on Moscow television confessing to bringing anti-communist materials into the country.

Mr Klymchuk, whose father came from Ukraine, said he mostly agreed with his confession, in which he declared that he had been given a pair of shoes by a man from Leeds inside which Soviet police found money and microfilm.—Reuter.

## Dr Waldheim visits Turkey

From Our Correspondent  
Ankara, Jan 8  
Dr Kurt Waldheim, the United Nations Secretary General, arrived today in Ankara on the first leg of a tour of three capitals, trying to reactivate the Cyprus inter-communal talks.

He told reporters at the airport that he wanted to learn "the position and the feelings of the new Turkish Government" on Cyprus.

Dr Waldheim was happy with the timing of his visit, barely three days after the announcement of Mr Bulent

## FACTS you will wish to consider when making a will

- ★ Over 300,000 of Britain's old people are in genuine need because of acute loneliness, bad housing or disability. The number is growing as the proportion of elderly people increases.
- ★ An official report records the sad fact that many old people are "huddled in icy rooms, wrapped in rugs, unable to afford proper heating". It is medically termed "hypothermia" (fall in "inner" body temperature).
- ★ The tragic need of old people is increasing.
- ★ Voluntary service is increasingly needed to bring personal care to old people, and to meet widening gaps left by state organisations.
- ★ Old people overseas also struggle against terrible hunger and lack of medical help.
- ★ How Help the Aged get things done for those in the greatest need.
- ★ It mobilises experienced volunteer effort, and so achieves maximum results from every £ entrusted to it.
- ★ It has pioneered flats for old people, and now Day Centres for the lonely, Work Centres to provide light employment, and Day Hospitals for those who need regular treatment but not full-time hospital. The charity is also active in arranging volunteer transport for the housebound, extra medical research, and much more.
- ★ In places stricken by earthquakes, floods and famine, and hunger, Help the Aged is well known for its swift practical aid.
- ★ The charity's work has been endorsed by many eminent people, including Lord Shawcross, General Sir Brian Hnrocks, and Dame Vera Lynn. Its President is the Rt. Hon. Lord Gardiner; Hon. Treasurer, The Rt. Hon. Lord Maybray-King.
- ★ Write or telephone for interesting and informative booklets and the annual report and accounts to: The Hon. Treasurer, Lord Maybray-King, Help the Aged, Room T9, 32 Doyer Street, London W1A 2AP (Telephone: 01-499 0972).
- ★ Perpetuate a loved name and help work for old people. £150 inscribes a name to enduring memory on the Dedication Plaque of a Day Centre.
- ★ £100 provides a hospital bed in India or Africa with an inscription of your choice.







**Squash rackets**  
R.A.C.: Junior Evans Cup, final round: J. Mansfield (Southchurch Hall) beat M. B. G. Ashton (Solihull), 9-7, 8-6, 9-7.



## SPORT

## Racing

## Shifting Gold has National glitter

By Michael Phillips  
Racing Correspondent

Plans for the six horses who dominate the long-range betting on this year's Cheltenham Gold Cup have now taken shape. A talk with Fred Winter at Sandown Park on Saturday left me in no doubt that he favours the Champion Steeplechase at Newbury on February 11 as the only race that the current favourite, Midnight Court, will have before Cheltenham. "And if Bachelors' Ball runs in it too," Winter went on, "that really will put the cat amongst the pigeons, won't it?"

What is fascinating is that Peter Cundell is taking precisely the same line as Winter as far as Bachelors' Ball is concerned. When I told him of Winter's intention yesterday, he assured me that he would not be frightened away and that, weather permitting, his winner of the Moyock and Hennessy Gold Cups and the King George VI Steeplechase, would be in the line-up at Newbury regardless of whether Midnight Court was there too.

The thought of that clash before Cheltenham—have five weeks to get over it before the big race—is made all the more savoury now by the knowledge that the handicapper has just given the same weight in the William Hill Yorkshire Handicap Steeplechase at Doncaster on January 28. With 12st 11lb apiece, they have been set to receive 3lb from Fort Devon, which would seem to make mockery of the handicapper's latest price list which reads 4-1 Midnight Court, 6-1 Fort Devon, 8-1 Bachelors' Ball, Royal Frolic, 12-1 Uncle Bing and Brown Lad.

As Fort Devon will only resume cambering on the Downs about half of what a generally bruised foot, the Doncaster race will obviously come much too soon for him. He is much more likely to

wait for a race at either Wincanton or Kempton Park towards the end of February.

Although Fort Devon was placed again last Monday, his exercise last week was restricted to cantering in a paddock near his stables. However, he is continuing to please his trainer, Fulke Walwyn, who is more convinced than ever that his horse is the rightful favourite for this year's epic.

One horse who will definitely take up the Doncaster option is Uncle Bing. Rather than doing battle with Royal Frolic over only two and a half miles in the Pinetall Steeplechase at Newcastle near Sandown, his path to Cheltenham will now take in the Yorkshire Steeplechase and the Fairlie Steeplechase at Windsor. Yesterday, his trainer, Richard Head, told me that he favoured the Doncaster race initially because it comes at the right time and is run over the right distance if you signs are set on the Gold Cup.

Gowran Park's Thyestes Steeplechase (January 19) and the Harold Clarke Steeplechase at Leopardstown three weeks later ought to tell us whether or not Brown Lad is still a force to be reckoned with or whether he is really on the wane, which was the impression I had when he was beaten at Kempton Park on Boxing Day.

Saturday was a good day for that polished horseman, Michael Dickinson, in more ways than one. While he was at Haydock Park busy winning the valuable Tote Northern Steeplechase for his father, on Gay Spout, Shifting Gold, the horse that he has already been asked to ride in this year's Grand National was winning the Anchor Millinery and Casafel Memorial Steeplechase at Sandown Park.

I cannot comment on Gay Spout's performance, because I was at Sandown and could not see it even on television simply because

his race started at the same time as our feature. But I must admit to being obsessed with Shifting Gold as an outsider. The idea that I was not remotely surprised to hear after his victory that Hills and Ladbroke had cut his price for the National to 20-1 from 33-1. Indeed, I will not be surprised if he starts at shorter odds on the day, even though the weights have still to be published. Inevitably some will say that Shifting Gold has nothing on Saturday, but it has not so much as the actually did, but the way that he did it that impressed me. Shifting Gold's jumping of the notoriously difficult Sandown fences was a joy to watch, and not perfect, a dream rehearsal for Aintree as there could be.

It takes quite a lot for a horse to lead more or less from start to finish, and still win over three miles five furlongs at Sandown, but that is what he did, and he did it by 10 lengths. It was a dream beginning for the career of his young trainer, Kim Bailey, who only took out a licence to train on January 1. Bailey had spent the previous five years preparing for the day when he was to take over the reins at his father's Kent stable at Brackley in Northamptonshire, by working for Fred Rimell and Tim Forster. He could not have been more than 10 years old, typically, they were amongst the first of many to congratulate him on his first triumph.

Mr and Mrs Russell, the proud owners of Shifting Gold, have had horses in training with the Baileys for 14 years, and this was their twenty-seventh winner. After all the excitement had died down, Bailey told me that Shifting Gold would now have a short rest and then just one more race before the National.

On a day that their pupil stole the limelight, it was appropriate that both Russell and Forster should also sample the sweet taste of success. Russell duly won the

Tolworth Hurdle with Western Rose, but not in the manner he expected to. For a long time it looked as though the idea might have slipped his hand. Then when that scare had died down, Western Rose appeared to be in danger of being beaten by Gravelandram.

Eventually, when only a few yards to go, Western Rose, who was only a year-old, half-length, then he scrambled home in front of Fred Winter's five-year-old, who was giving him weight. Western Rose's claim was now on the Sun Alliance Hurdle at Cheltenham, but Gravelandram is more likely to miss the National Hunt Festival and go instead to Chesham for the Farnham Chase Hurdle final where he is expected to be one of his opponents.

On Saturday Belfalas qualified for that race by winning the best at Sandown. Belfalas was trained at the flat by Dick Horn, and when he suggested that a spell of hurdling would do the horse good, he said to Forster: "You can have him until Christmas, and then I want him back, but I don't just want the skin back!" As things turned out, Belfalas was prevented from running until Saturday by a cough, but now that he has shown his mettle under National Hunt rules, Forster is understandably hopeful that the Major will allow him to chase on Belfalas' heels for longer, at least until the final of this series.

## Sedgefield inspection

There will be an inspection at Sedgefield at 7.30 this morning. Kit Egerton, Clerk of the Course, says: "We have had freezing fog all night and there is frost on the ground but the stewards must inspect. If the frost comes out the going will be good."

Stewards of going official: Lectorer, Sedgefield course, Good, Hurdle, morning inspection, Tote Park, 10.15, 10.30, 10.45, 11.00, 11.15, 11.30, 11.45, 12.00, 12.15, 12.30, 12.45, 1.00, 1.15, 1.30, 1.45, 2.00, 2.15, 2.30, 2.45, 3.00, 3.15, 3.30, 3.45, 4.00, 4.15, 4.30, 4.45, 5.00, 5.15, 5.30, 5.45, 6.00, 6.15, 6.30, 6.45, 7.00, 7.15, 7.30, 7.45, 8.00, 8.15, 8.30, 8.45, 9.00, 9.15, 9.30, 9.45, 10.00, 10.15, 10.30, 10.45, 11.00, 11.15, 11.30, 11.45, 12.00, 12.15, 12.30, 12.45, 1.00, 1.15, 1.30, 1.45, 2.00, 2.15, 2.30, 2.45, 3.00, 3.15, 3.30, 3.45, 4.00, 4.15, 4.30, 4.45, 5.00, 5.15, 5.30, 5.45, 6.00, 6.15, 6.30, 6.45, 7.00, 7.15, 7.30, 7.45, 8.00, 8.15, 8.30, 8.45, 9.00, 9.15, 9.30, 9.45, 10.00, 10.15, 10.30, 10.45, 11.00, 11.15, 11.30, 11.45, 12.00, 12.15, 12.30, 12.45, 1.00, 1.15, 1.30, 1.45, 2.00, 2.15, 2.30, 2.45, 3.00, 3.15, 3.30, 3.45, 4.00, 4.15, 4.30, 4.45, 5.00, 5.15, 5.30, 5.45, 6.00, 6.15, 6.30, 6.45, 7.00, 7.15, 7.30, 7.45, 8.00, 8.15, 8.30, 8.45, 9.00, 9.15, 9.30, 9.45, 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# We have the means to beat the hijackers, all we need is the will

Fanatical gangs have learnt how to convert airliners into flying prisons of danger and fear. The danger is real enough. Since 1969 there have been over 400 attempted hijacks, involving approximately 75,000 passengers. In the same period there have been at least 75 cases of people being fired or explosive devices detonated inside aircraft in flight or on the ground. The tragic loss of a hijacked Malaysian airliner with a hundred people on board is not the first such disaster.

In a 1973 Soviet hijacking the pilot and hijacker were killed and 100 passengers died in the ensuing crash. And in 1974 an Air Vietnam passenger plane crashed killing all 70 passengers and crew after a hijacker reportedly exploded a hand grenade. Considering the obvious dangers of hijacking to controls the miracle is that there have not been more hijack crashes.

The identity of the hijackers of the crashed Malaysian Boeing is still a mystery. The Japanese Red Army may have been responsible, but the pilot did not positively identify the hijackers in his message to Kuala Lumpur. Any one of a variety of Malaysian terrorist groups could have been responsible. The fact is that there are now hundreds of tiny factions who find hijacking a cheap and easy means of publicity, springing jailbreaks, gaining large ransoms and escaping to friendly states. They have been encouraged by events such as the Japanese Red Army's success at Dacca.

No serious student of the problem really believed that the superb Mogadishu rescue mission was a final victory over hijacking. It may well have marked a turning point in reducing West Germany's vulnerability. Terrorist groups are likely to think twice before inviting another Mogadishu-style rescue mission. (Not in this section.) The Red Army Group's recent announcement that they will cease hijacking. The West Germans may now begin to reap the rewards of making a firm line against terrorism.

Alas, however, the international battle against hijacking is still far from won. A hard-core of a dozen or so countries continues to back

international terrorism both ideologically and materially. There are still too many states which have consistently refused to adopt the Tokyo, Hague and Montreal Conventions, designed to establish a regime of international law to control hijacking. The huge fact is that hijacks are likely to continue as long as some states give terrorists vital sanctuary and succour.

Pious resolutions, such as the recent United Nations appeal to states to cooperate and end the threat of air hijacking, are largely meaningless. This being so, what measures of proven value can be taken by those states that do genuinely want to protect the air traveller?

First there are preventive measures. Most important are improved airport security and search procedures designed to minimize the chances of a potential hijacker boarding an aircraft. In response to an unprecedented wave of hijack attempts on American aircraft between 1969-72 the United States authorities introduced, in 1973, 100 per cent baggage and body search procedures for every domestic and international flight originating from American airports.

This was an enormous operation in a country which has over 150 million airline passengers a year and over 14,000 domestic flights daily, but it soon proved its worth. Between 1968 and 1972 159 United States aircraft were hijacked and 85 of them were flown to Cuba. In the two years following the introduction of the new procedures there were only three hijack attempts on flights originating in the

United States—all of which failed. In 1973 alone 3,500 passengers were stopped and 2,000 guns, and 3,500lb of high explosives were confiscated. These extremely effective measures were usefully backed up by the United States-Cuba Hijack Pact of 1973, which effectively closed down the American hijackers' favourite sanctuary.

Hijack attempts on flights originating in the United States had accounted for almost half the world total in 1971-72, so the success of these measures caused a dramatic improvement in the world hijack incidence rate. However, after a slight lull, hijack in Europe, the Middle East and Asia is now increasing at an alarming rate. Part of the reason for this has been the failure of many countries to introduce boarding-gate security even approaching the American standard. Smaller provincial airports in many parts of Europe are still gravely deficient in this respect, and increasingly hijackers are exploiting these loopholes. It was not an accident that the hijack team who captured a Lufthansa jet last October boarded it at Majorca, where security was notoriously lax.

A major problem, especially for poor Third World states, is the enormous expense involved, not only in buying the magnetometer search equipment but also in providing the trained manpower to operate it.

One solution is to adopt the American (and now British) method of passing the costs on to airlines and passengers. I do not believe there will be any passenger resistance. We all

want to know that our journey will be as safe as possible, and it is an encouraging trend that some even protest loudly if boarding-gate searches are inadequate. Another possible means of financing proper search equipment for Third World states, where it is urgently needed, is for the ICAO to provide interest-free loans for this purpose. ICAO could also take over the training of airport security personnel on a regional basis.

However, it would be dangerous to assume that security measures are a panacea. Universal adoption of the American search system is in any case a long way off because of political and economic factors. Moreover, even 100 per cent searches can fail sometimes because of the human factor. Even a conscientious security man may fail to detect "plastic explosives" hidden, perhaps, beneath a wig, in the heel of a shoe, or in a co-skinning. The ingenuity of terrorist quackmasters is truly diabolical. Some of Carlos's girl terrorists were once even equipped with incendiary Tampax! Nor must we forget the obvious danger of terrorists bribing ground staff to smuggle weapons on board an aircraft, or to cheat searches. On occasions hijackers have also been able to take advantage of strikes by airport staff to get weapons through as baggage at Athens in June, 1976.

An equally important preventive measure is top quality intelligence. It is by this means that missile attacks at several international airports were foiled. And Swedish intelligence recently prevented an

attack on an Opec meeting by good national intelligence. It is not enough. The greatest need is for improved international coordination in intelligence, research and analysis. The European Community, in view of its obvious vulnerability to terrorism has been slow to develop a more permanent and efficient machinery for this purpose.

As long ago as 1974, I argued for a high-powered European anti-terrorist commission to carry out the tasks of intelligence, policy coordination, and assistance to governments. It is long overdue. However, the best preventive security and intelligence cannot stop the occasional hijacker getting through. Nor should we overlook the danger of terrorists obtaining a getaway plane as part of the ransom price in wider operation, as happened at Vienna in December 1975. To meet such contingencies a really tough and effective counter-hijack strategy is vital.

Three valuable lessons can be drawn from the recent experience of governments confronted with hijack blackmail.

First, it does not pay to surrender to hijacker demands. If governments bond over large ransoms and release imprisoned terrorists they put hundreds more lives at risk by making it more tempting for other groups to attempt hijacks. Experience also shows that "soft" governments become favourite targets. It is illusory to think that one can buy hijackers off, or that they will just go away. However, there are two

essential corollaries of the "no surrender" policy. First, governments must have available elite anti-terrorist commando squads, such as the CS9 and SAS, trained to rescue hostages with minimum loss of life. Most European Community countries now have these military resources and Mogadishu provided a good example of successful bilateral cooperation to improve capabilities.

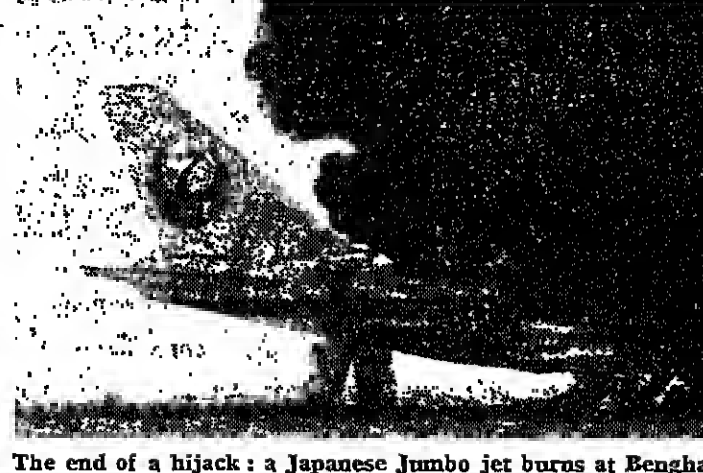
We now need to find ways of making such task forces available to less well endowed parts of the world. I suggest this could be organized under ICAO auspices on a regional basis. Each task force should also include experienced hijack negotiators, psychologists, and communications, surveillance and medical specialists. If such a task force had been available in Mogadishu, the hijack would have been averted.

The other important element in an effective counter-hijack strategy must be certain and severe punishment for convicted hijackers. Recent research has shown that between 1970-75 less than twenty per cent of captured international terrorists actually served their prison terms, and the average sentence was only 18 months. Such pusillanimity makes a mockery of the rule of law.

There is also the possibility of using the world's aviation unions in panish states affording sanctuary or succour to terrorists. More pressure could be put on defuncting states to make anti-hijacking conventions. International law could be strengthened by the introduction of proper enforcement machinery and by other general measures against terrorism. These are highly complex and difficult long term approaches, unlikely to reap quick results. But in the short term it is absolutely vital for governments to adopt the sort of tough and effective preventive and counter-hijack measures I have outlined. The means to tackle the hijack menace are, I believe, already to hand. What is needed is the will to win.

Paul Wilkinson

The author is senior lecturer in politics, University College, Cardiff, and author of *Political Terrorism* (1974), *Terrorism versus Liberal Democracy* (1976), and *Terrorism and the Liberal State* (1977).



The end of a hijack: a Japanese Jumbo jet burns at Benghazi.

## The plain man's guide to the cruise missile

Lord Chalfont

As you will all be hearing a great deal in 1978 about something called the cruise missile, I thought it might be a good idea, in this, my first column of the new year, to try on one of my favourite disguises—that of the Plain Man's Guide to lucrifically complicated topics. It occurs to me that you might be interested to know what a cruise missile is, why it is important, why the Russians and the Americans are getting themselves into a great state about it and why, before this year is out, it might become almost literally a matter of life and death to the citizens of this bewildered country.

My reason for that last, characteristically apocalyptic, proposition is a simple one. Those who follow these matters closely will recall that the first British Polaris submarine came into service ten years ago. In about another ten years it will no longer be seaworthy and Britain will be left with a long-range nuclear striking force, the Government will have to start, before 1990, replacing the whole fleet—either by new submarines of a similar kind, or by something else. If it is to be something else, the so-called "lead time" for any new nuclear weapons system—the interval between the decision to develop it and its entry into operational service—is also about ten years. A quick appraisal on my new pocket calculator reveals that if Britain is to have a new nuclear system to replace the Polaris fleet the decision should therefore be taken this year, or next at the very latest.

Whether it will be taken is another matter. Mr Callaghan is most unlikely to replace the ominously quiescent left wing by raising the issue before the general election. Yet the arguments for and against what is

sometimes called a "new generation" of British nuclear weapons are vitally important, and even if the Prime Minister wants to keep them quiet there is no good reason why I should. However, before setting out to assess these arguments, I would like, I think, to take a look at the cruise missile, being developed in the United States, which is the weapon most likely to replace the Polaris missile if the Prime Minister eventually decides that his (or her) country should continue to be a nuclear power.

The cruise missile has been defined by an American expert, as "a dispensable, pilotless, self-guided, continuously powered, air-breathing, warhead-delivering vehicle". In simpler terms, it is a missile which flies like a small unmanned aircraft, something like the German V-1 "buzz bomb" of the Second World War. The versions now contemplated, however, represent a completely new dimension of military engineering. Advances in microelectronics have improved missile accuracy to an astonishing degree. In 32 test launches the Harpoon, an American short-range cruise missile designed for use at sea has hit its target 29 times. Theoretically the long-range version of the missile can be guided to within 10 yards of a target at ranges of up to 2,500 miles, although in practice the accuracy will probably be nearer to 100 yards. Small, highly efficient jet engines have been developed to reduce fuel consumption; and short range, or "tactical" cruise missiles, built in large quantities, might cost as little as £25,000 per missile (compared for example, with £5 millions for a modern tactical aircraft).

Utolike a ballistic missile of the Polaris type, the cruise missile is under continuous guidance throughout the flight to its target. This is achieved by means which in the mind of the layman can only evoke a judicious blend of admiration and incomprehension. There are three main techniques, the very names of which have clearly been chosen for their capacity to baffle those accustomed to deal in plain English. *Terrain-contour-matching* (usually called *Tercom* to bring out its full arcane flavour) is a method by which a set of "maps", recording the average height of the ground in each of the squares of a superimposed grid, is stored in the memory of the computer inside the missile.

A downward-looking radar altimeter provides a constant stream of data about the actual contours of the ground over which the missile is flying. The computer compares this with the map in its memory and transmits any necessary corrections of course to the autopilot. The *area-correlation method* uses a similar mapping principle, relying on a microwave reflector instead of a radar altimeter; while the *global-positioning satellite system* consists of 24 satellites in orbit, so positioned that any place on the earth's surface is always in sight of four satellites simultaneously. Every few thousands of a second, the satellites broadcast coded signals which enable the computer in the cruise missile to calculate its true position, at any time, within about 10 yards in three dimensions.

All this is carried out while the missile is travelling at sub-sonic speed. Thus, while a ballistic missile would take 20 minutes or so to travel 3,000 miles, the cruise missile would take about six hours to cover the same distance. It is, however, being designed to fly at altitudes of less than 250 feet, which means that it would be undetectable by ballistic missile defence radars and most existing air defence radars. It is small enough (the version at present being developed for the United States Navy is only 20 feet long and 20 inches in diameter) to penetrate most surface-to-air missile (SAM) defences.

The first question which may understandably spring to the mind of anyone still with me, is why the Americans, who already have nuclear weapons coming out of their ears, should want this new line in lethal munitions. The argument of those who are developing it is many-sided, but it is based on the proposition that, during the 1980s, American land-based missiles will become "vulnerable" to a Russian first strike—that is to say, the accuracy, power and penetration of Russian missiles will have improved to a point at which the Soviet Union could, in a surprise nuclear attack, destroy a large enough proportion of American land-based missiles to remove most of the essential elements in the "triad" of United States deterrence—namely, land-based missiles, and missile-firing submarines.

Furthermore, President Carter has already cast doubt on the future of two other new

weapons systems, the B1 bomber and missile X, which is designed to fly at supersonic speeds in tunnels instead of fixed silos, so that it can be constantly on the move when not being fired, and thus more difficult to hit with a "first strike".

Those who object to the development of the cruise missile can also assemble some powerful arguments. The first, and most obvious, is that it is unnecessary, and that it simply adds to an already dangerous stockpile of nuclear weapons. More specifically, they say that its development constitutes an obstacle to the talks between the United States and the Soviet Union on strategic arms limitation (SALT). The Russians insist that as a long range nuclear weapon the missile should be included in SALT restrictions agreed upon between the superpowers. The Americans reply that, as it is also a short range weapon, it should not. The deadlock seems complete.

Much of the Russian agitation can probably be explained by the fact that the Americans are many years ahead of the Soviet Union in cruise missile technology; while the Americans reinforce their own military reasons for developing the weapon with the very cogent argument that it takes the virtue of the time it takes to reach its target the cruise missile is demonstrably a retaliatory weapon, posing no "first strike" or "first strike" threat to the Soviet Union.

So far this analysis, necessarily oversimplified and unsophisticated, relates principally to the Soviet-American issue of the cruise missile. It is, however, a matter of serious concern to Britain and the other European members of the western alliance as

well. As part of its military build-up in northern and central Europe the Soviet Union has been introducing new nuclear weapon systems, including the mobile SSX 20, a medium range missile capable of striking at any target in western Europe. The SSX 20 is a mobile missile capable of striking at any target in western Europe. The SSX 20 is a mobile missile capable of striking at any target in western Europe.

The resulting sense of insecurity in Nato Europe is not shared by the persistent belief that as part of a SALT deal with the Soviet Union, the American President will undertake not to provide his European allies with cruise missiles, or even with the technological information to help them to make their own.

The French Government is therefore already contemplating an independent cruise missile programme in order to maintain the long-term effectiveness of its force de frappe, and there are clear implications for West Germany in the fact that the cruise missile can be fitted with conventional instead of nuclear warheads. So far as this country is concerned this new, relatively cheap and very accurate, nuclear delivery system offers those who still believe in Britain's independent nuclear deterrent the promise not only of powerful short-range missiles for tactical use in Europe but also of a strategic delivery system to replace Polaris.

In my next column two weeks from today I intend to analyse some of the factors which will affect the vital importance of the decision which must soon be taken by the British Government on this matter.

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Eric Moonman

## Graft is taking the food out of Ghana's mouth



Ghana is a no-news nation. It escapes regular scrutiny by newspaper correspondents and international agencies because the media's attention is conventionally focused on a limited number of capital cities. Dates from the USA, Britain or the USSR will capture the attention of readers anywhere in the world, but away from the big power blocks few small countries, with the exception of Rhodesia and Israel, command attention. The Ghanaians are certainly not news.

Recent events in Ghana, however, make it essential that the world's attention should be turned in that direction, as the condition and livelihood of a vast number of these people are threatened by events beyond their control, though not, perhaps, beyond ours.

More precisely, Ghana's northern and upper regions, which produce most of the country's grain, have been parched since 1975 and once again in 1978 it looks as if the rains have failed. Despite this, and one relief agency says that even by March, 1978, the food situation was desperate, the Ghanaian Government is denying the existence of any famine, and it was not until June last year that they sought a small amount of outside aid from Unicef and later from the British and United States Governments.

But even though food supplies are now available through the UN and the EEC, and the transport of food from the south to the north is going smoothly, thousands of people are still starving. But once the supplies reach the north, a staggering 55 per cent of the food is lost through corruption in the official distribution network.

Oxfam have been so appalled by the situation that, at the risk of being thrown out of the country by Ghana's military Government, they have published the confidential reports of their field workers in the hope of getting the international agencies supplying the food to act.

The picture these reports paint of life in the area around Bolgatanga, a town near the border with Upper Volta, is appalling. Rainfall has been variable with the result that crops have been virtually destroyed in some areas, and the rice which is the staple food in the rural areas, have been receiving scant supplies, and those infrequently, they know that much of the food is going to the wrong people as a result of irregularities among district chief executives, who are the commissioners who are supplying it to friends, government workers and influential people in the community, such as bank managers.

The Church is in disfavour because it reported the food shortages in the first place. It has evidence from hundreds of village leaders pleading for food for their poorest people, who cannot travel to the towns for help. The sick, the elderly, the blind and those suffering from mental and physical illness are worst hit.

Oxfam is heavily critical of the international organizations for failing to draw attention to the starvation in the north. "When one sees American grain sent supposedly for relief purposes, being carried off from a distribution centre in the boat of an expensive German cat, one wonders to what extent the West is really interested."

The United States recently turned down a request from research workers told me bluntly that they are depressed by the "manipulation and corruption in Ghana". It is clear that effective overseas help has been operated by their servants. One senior United Nations official, rather more cynically says:

"If the government of

Ghana wishes their people to die of starvation, that is their sovereign right as a sovereign member of the United Nations. I as an international civil servant can do nothing about it. Ghana is not an isolated case. What is now known as the 'politics of disaster relief' has been a growing scandal since the timidity of relief officials helped Ethiopia's former imperial government to cover up a devastating drought and famine in the 1970s, in which something like 100,000 people died."

According to a report commissioned by the United Nations Association, one in three disasters involves political problems, which prevent the proper distribution of aid. At the present time, Haiti, as well as Ghana, is suffering from food shortages which its government is attempting to cover up.

A remarkable UNA report, *Acts of Nature Acts of Man*, which is hardly known in Britain, is an attempt to get to grips with this problem and to suggest ways in which individual governments and relief organizations should act to minimize the impact of politics on disaster relief. From the US it seeks greater help for the UN in identifying suffering areas. The International Red Cross is recognized as an organization which can intervene in situations in which politics play a significant part and they call upon the Red Cross to draw up a convention specifying the rights and obligations of governments in assisting victims of natural disasters.

Individual governments are advised to act through the UN Disaster and Relief Office, and an acceleration of the UN development programme is called for to assist in preparing governments for coping with disasters.

### New approach

The General Assembly of the UN is asked to pass a resolution asserting the obligation of member governments to ensure relief for internal disasters, as well as making provision for better communications between the UN and the relief effort. Britain as a major contributor to disaster relief should take the initiative in pressing these proposals and also to activate her EEC partners who are inclined to look the other way when the politics of disaster relief appear on the agenda.

A more fundamental approach is required. A long-term relationship needs to be built up with the 25 potential disaster areas so that when the crunch comes the machinery is already there without need for the "ad hoc" bowl and the loss of face which so often besets under-developed countries, because of the "strings" which such obligations carry. This is one area where the EEC, through an extension of the Lomé Convention, could use its influence more effectively.

Another long-term approach would be the direction of funds into specific development projects rather than relief projects. Communication in the fields of transport, medicine, and time. The United States Senate Committee on Foreign Assistance is now directing new funds for this particular approach. "Disaster preparedness" as it is called, is a new concept. It is already too late. If others are not to follow them, caught in a vice between natural disaster and political chicanery, then the governments of the rich nations must set down new rules for the giving of aid and assistance. Above all, the officials of the relief agencies must remember that their first duty is to the victims of relief, not to avoid political embarrassment for governments.

The author is Labour MP for Basildon.

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## LEAPMAN IN AMERICA

It is ridiculously late to be writing about Christmas, but a hostile calendar, which summarily abolished the last two Mondays, has given me no chance to do so until now. At least I have had a few days of tranquility in which to recollect the complex emotions provoked by the year-end festival of spending.

We decided that our son, nearly eight, was old enough to choose his own major present this year. So one Saturday we climbed aboard a bus and made for the nearest branch of the toy chain which was advertising itself on television, memorably if unoriginally, as:

Great for girls and great for boys.

He chose, as we might have guessed, one of the largest objects in the place, an ice hockey game with an electric motor which blows air up through holes in the table, so that the puck slides quickly over it.

The store assistant made a great production of tying up the box and, as he handed it over, I could see that it was even

larger than I had bargained for—about five feet long and weighty to boot.

Trying to get it on a bus, I calculated, would provoke a nasty scene with the driver, so I hailed a cab. The first driver took a glance at the object and announced that he was going off duty. The second tried to fit it on the back seat and failed. We walked with it for a while, with great difficulty, until a third cab driver, filled with seasonal goodwill, squeezed it and us into his cab, and was suitably rewarded.

At home, we kept the monster in the cloakroom off our entrance lobby, where it was an object of wonder to visitors. I was secretly worrying about a notice on the box declaring that, to assemble the table, I would need two kinds of screwdriver, a hammer (a hammer?) and a pair of pliers.

On Christmas Eve we went to a party in Manhattan, walking home after midnight from the cable car singing *The Twelve Days of Christmas*. At about the eighth day the heavens opened and we arrived

home wet, tired and, let's admit it, not a little emotional.

Nevertheless, I felt I ought to have the hockey table assembled for Christmas morning so, pausing only to change into dry clothes, I set to work. The first thing I saw in the box was a huge plastic bag full of nearly a hundred screws of different shapes, plus any number of nuts and washers. Intimidating.

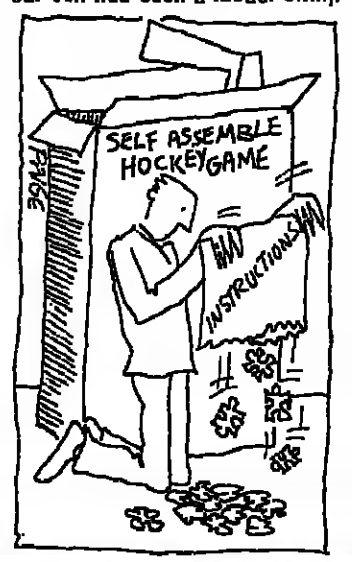
The assembly was not in the event, difficult, just extremely lengthy. By 3 am I had the legs and the motor attached. Luckily the hammering was minimal, and I received my complaints, except from my wife.

Next morning, it took only another half hour to complete the work. Now I have read as many of these Christmas morning assembly tales as you have, and in all of them the punch line comes when some crucial bolt or other piece of equipment is missing, or the legs are on backward and it does not work.

I must disappoint you and confess that in this case it was all there and, at the time of

writing, the table is still working and giving pleasure.

We had our neighbours in for lunch, and I was complaining to them about the horror of having to assemble toys before use. It was only after they left that I learnt that their present to our son had been a model blimp



(what during the war we used to call a barrage balloon) which also needed tricky construction.

Somebody else gave a kit for a model plane, but I had more trouble of all with a gumball machine, which releases balls of gum at the insertion of a small coin.

Later we were told that the ice hockey table was last year's most popular Christmas gift, but since we did not arrive until the summer we had not heard about it. This year's favourites were electronic game machines which plug into the television set, and electric pinball machines. In case our son tries to catch up with those next year, I might use the intervening months to take night classes in electrical engineering.

Christmas is the season for tipping tradesmen and other servants with whom one spends most of the rest of the year in a state of incipient hostility. As I have previously indicated in this column, I am bad at that sort of thing, and as we have never before lived in a large block of flats, I find it hard to decide whom to tip, and how much.

The postman was easy. He put a Christmas card in our mail box and, next day, we in our turn put a money-filled envelope there, which he received with no difficulty. We have no milkman or dustman—our rubbish is whisked by giant vacuum to a modernistic building in a remote part of the island. But there are numerous doormen and handymen, some of whom we know well and not so hardy at all.

We took advice, but like most advice in New York, it was conflicting. Some said you should tip everyone, dishing out the equivalent of a month's rent. Since our rent is high, I preferred the alternative advice, to give modestly, and only to those with whom we dealt with any regularity.

The result was that we found ourselves skulking round the building at all hours during the days preceding Christmas, furtively bearing envelopes to dip to those we felt deserved them. Inevitably, we found them in the company of the under-servants, who scowled, ensuring that we shall get uniformly atrocious service during 1978.

One of the few luxuries New York needs but does not, so far as I know, enjoy, is a tipping counselling service. I should like to be able to hand over the whole of my business to a professional, although since he would doubtless work on a percentage basis, he would have me over-giving.

The trouble is that, while you will certainly be made aware soon enough if you have tipped inadequately, nobody is going to tell you if you have given too much. So the norm is elusive.

Then came New Year. We had originally planned to go to Times Square with a friend to mingle with the crowds, but somebody warned the friend that he would get mugged so, in panic, he fled the city for the suburbs.

We therefore stayed indoors, sharing bottles of California champagne with neighbours whose apartment commands a view of the Empire State Building. The sky-scaper had been flooded in red, white and green for Christmas, but this was to be switched off at 11.30 and to be replaced at midnight with

red, orange and green for the New Year. It was a mistake or two late, but impressive all the same.

On television, we watched the Guy Lombardo Royal Canadian, led by Victor Lombardo (Guy died last year), playing their traditional music to the millions at the Waldorf Astoria, to guests who had paid a 150 dollars a head. The women were given daisies, as well they might have been, and everyone seemed to have been fed.

Television cameras were positioned in Times Square, where there was a dreadful crush of people holding banners, shouting "Hi, Seattle" and suchlike. I saw nobody being mugged, though.

My own favourite New Year activity came the following day, when we went to see a splendid seasonal display of botanical and other greenhouse attractions, at the Brooklyn Botanic Garden. Perhaps it was less upmarket than the balloons at the Waldorf but, for only ten cents admission, it was rather better value. Have a good year.





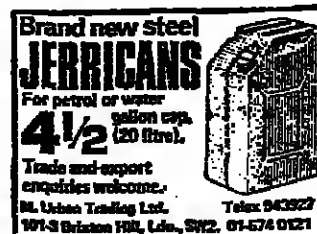






# THE TIMES

## BUSINESS NEWS



Japan-an  
opportunity as  
well as  
threat, page 17

### Merseyside stoppage due at Ford as Leyland strike starts eleventh week

R. W. Shakespeare  
Merseyside Industrial  
respondent

The present turmoil in Merseyside already focuses attention on the two-month strike by workers at the up's Triumph car plant at the motor industry Merseyside. The strike, which is also over the fact of a strike by 1,000 men at the Leyland plant at Halewood, has given management some breathing space in the strike over the last 48 hours. The stoppage by nearly 2,000 workers at the Triumph plant at Speke, which is also over the fact of a strike by 1,000 men at the Leyland plant at Halewood, has given management some breathing space in the strike over the last 48 hours.

and at Coventry, has already cost lost production of TR7 and Dolomite cars worth about £60m.

It centres on plant level resistance to a management decision to introduce new manning scales and production targets after studies made by industrial engineers. The company denies allegations by shop stewards that it broke local agreements by taking a decision unilaterally to make changes in working arrangements.

At Halewood swift moves can be expected from the Ford management aimed at securing an early settlement of the dispute which has led to the walk out by 1,000 workers in the press shops. Ford will be anxious not to see its own much improved labour relations image damaged by association with Leyland's troubles at Speke.

The company's efforts just before the weekend to get Merseyside district union officials to meet senior management were frustrated by the fact that the relevant union leaders were already tied up in negotiations about a dispute at the docks.

### UK defends limit on Soviet steel imports

By Peter Hill

Britain is to make a vigorous defence of its ban on increased Russian steel imports. The European Commission has expressed concern at the ban, introduced at the beginning of this month, and has asked for an explanation.

Commission officials are unhappy about the decision to limit Soviet steel imports this year to their 1976 level of 16,000 tonnes. The action has also angered British steel traders shipping in the Soviet steel.

### Dollar support policy for scrutiny today at central bankers' meeting

By Peter Norman

America's newly-adopted policy of supporting the dollar on foreign exchange markets will be subjected to a further critical scrutiny by Western central bankers when they gather for their regular monthly meeting at the Bank for International Settlements in Basle today and tomorrow.

The initial excitement that followed last Wednesday's announcement by the Federal Reserve Board and the United States Treasury has given way to more sober appraisals of the dollar's position.

Dr Ormer Emminger, president of the West German Federal Bank, played a leading role in nudging the American authorities towards active intervention.

But in an interview with today's issue of the German weekly news magazine *Der Spiegel*, he stressed that the underlying causes of the dollar's weakness were to be found in the United States large current account balance of payments deficit and that this could only be curbed in stages.

They will probably discuss coordinating interest rate policies to help keep currency markets in an orderly condition. This process is already under way. The German bank rate cut of December has helped to produce a broad downward trend in interest rates in the Federal Republic.

British interest rates declined again last week while the European bankers will probably gain some comfort from Friday's news that Citibank raised its prime commercial lending rate.

### Two kindred spirits at White House and Fed

Mr William Miller is a Texan, a millionaire, an opera lover, a keen squash player, and the next chairman of the Federal Reserve System of the United States.

He is 52 and he takes the bus to work in Providence, Rhode Island, where he heads Textron Incorporated. He is a slightly built, soft spoken, modest and his business associates claim he has a computer-like memory.

### Dr Burns likely to quit Fed board

Washington, Jan 8

Dr Arthur Burns, chairman of the United States Federal Reserve System, is believed to have told close associates that he has decided against continuing on the Fed's board after Mr William Miller is confirmed by the Senate as the next chairman.

Dr Burns could have remained a governor for a few more years after stepping down as the Fed chief.

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The increase probably ensures that most United States commercial banks will swiftly follow the lead set last Friday by Citibank and raise their prime lending rates to 8 per cent from 7½ per cent.

Many big banks refrained from raising their prime rates last Friday in the belief that the latest increases in other short-term rates were solely because of seasonal factors and that some moderation in commercial paper rates, for example, would be seen soon.

It seems remarkable that a man lacking experience in economics and detailed knowledge of banking could become the chairman of an important central bank; yet these considerations are not the only ones that appear to concern President Carter greatly.

Perhaps Mr Carter believes that he has done a good job as President, despite having had no prior Washington experience, and that Mr Miller can bring an equally refreshing new approach to the Fed.

### IP's plea on energy conservation

Roger Vervoye  
Rogers Correspondent

Reductions of an energy gap are the end of the century, dismissed by Mr Nigel Mansel, MP, one of the Opposition spokesmen on energy, in an interview with the *Financial Times*. He said that the Government's energy policy, published today, is being offered "little more than predictions of a self-sufficiency to the end of the century, at a price of energy dependence at a level which is likely to be significantly higher than it is today."

### Quota pacts by EEC on 133 textile imports

By Our Industrial Correspondent

Textile industry leaders and trade union officials are to meet in London on January 10 to discuss the effects of the renewed Gatt Multilateral Arrangement on the United Kingdom.

After the conclusion of the negotiations between the EEC and a host of low cost textile exporting nations, the Community has secured agreement to quota controls on 133 different textile and clothing products which enter the EEC.

because of the complexity of the arrangements and the intervention of the Christmas holiday this has not been possible.

The industry chiefs are to have talks with Department of Industry officials concerned with textiles this week, and it is hoped that further details will emerge.

However, some information has emerged that growth rates which will be permitted for imports of certain sensitive products under the new agreements. Low cost exporters of cotton yarn to Britain will be restricted to a 0.3 per cent annual rise in shipments over the four year period of the new MFA, with a growth factor of 0.3 per cent on the same product also applied to the EEC.

Officials noted that the nine member states had agreed on ways to protect the Community industry at a Council of Ministers meeting five days before Christmas.

Yes, the United Kingdom decision had been made without informing the Commission. On the same day the Commission issued the schedule of minimum prices for a range of steel products which form part of the attempts to cope with the steel crisis.

### Mr Lance may handle Mid-east ventures through London bank

By Our US Economics Correspondent

Washington, Jan 8

Mr Bert Lance, the former American Budget Director, may become involved in business ventures in the Middle East and in this connection may be a good deal of time working from the offices of the Bank of Credit and Commerce International in London.

In the last two months Mr Lance is believed to have had lengthy discussions with Mr Hassan Abedi, the head of BCCI and it was a close friend of Mr Abedi who agreed last week to buy 121,995 shares in the National Bank of Georgia from Mr Lance.

Mr Lance could not be reached to confirm these reports today at either his home in Calhoun, Georgia, or at his Atlanta home.

There has been considerable speculation in the American press, and in banking circles in London, as to what career moves Mr Lance would make after he had been mentioned in this regard.

Mr Abedi, who comes from Pakistan and who works mainly from London, has been instrumental in making BCCI one of the fastest growing new international banks in recent years.

The bank is believed to be controlled through a company registered in the Bahamas and is chartered in Luxembourg. BCCI now has offices in London and offices and associated companies in Germany, the Cayman Islands, Hongkong and in various centres in the Middle East.

The bank is not deeply involved in investments in the United States and it could be that Mr Lance has been sought out by Mr Abedi in view of his banking experience to strengthen BCCI's American business.

Both men are highly ambitious, keen to seek out challenges and equipped with great personal willpower.

Both have amassed considerable wealth through their business skills and by their own efforts. And both come from poor backgrounds.

Indeed, these similarities have probably been the main influences on both men in their common strong belief in the virtues of the free enterprise system, in their genuine and deep concern about poverty and their conviction that government should directly seek to help those unable to help themselves.

### Mersey dockers decide against return to work

More than 2,000 Merseyside dockers at a meeting in Liverpool yesterday decided to continue their three-week strike over work reallocation and pay.

This involves 4,500 Mersey Dock & Quayside workers, and yesterday's meeting called for support from 2,000 other dockers in the port. The need to meet again until Wednesday.

### Prices inquiry report today on three sectors

First of the Price Commission investigations of proposed increases—which could mean a further eight months freeze if the commission's findings are expected to be published today by Mr Hattersley, Secretary of State for Prices and Consumer Protection.

There will be a three-part report on increases in domestic electricity quarterly bills because of the fuel cost adjustment system. This rise has been allowed to go through under interim arrangements.

### Finance houses chief challenges lending statistics

By Our Financial Staff

More than a half of new lending by finance houses is to industry and commerce rather than the private sector, according to Mr Ronald Barnes, chairman of the Finance Houses Association, writing in the latest issue of the association's quarterly journal *Credit*.

Statistics collected by the Department of Industry underestimate the volume of finance houses business because of the differing treatment of subsidiary companies' figures.

### £37m Nairobi contract

Three member companies of the Bos Kalis Westminster Group have won a £12m share of a £37m dam contract near Nairobi in Kenya. The dam will take about three and a half years to build, and when completed will be used for the supply of electricity and the control of inland water.

### US to give verdict on Japanese steel

The United States Treasury Department will announce its decision today on a major case involving imports of carbon steel plate from Japan. Mr Peter Ehrenhaft, the treasury's deputy assistant secretary for trade matters, announced.

In a tentative decision earlier, the United States agency ruled that Japan was exporting steel plate to the United States west coast market at unfairly low prices.

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### K firm included Arab blacklist

Jan 8.—Seventeen companies from India, Greece, and Britain have been included by Arab countries dealing with Israel, it was announced here.

A series of decisions issued by the Boycott of Israel Office covering the period between October 7 and January 2 this year named 9 Indian, 5 Greek, French firms and 12 British firms which had included in the blacklist.

### Brokers forecast 7p in rise in living standards

Living standards are set to rise by 7p in the pound this year, according to a leading group of stockbrokers.

In their latest forecast, Messrs Phillips and Drew expect the spring Budget to cut income tax cuts totalling £600m, only slightly offset by a £500m extra on excise duties.

### Toymakers optimistic over sales prospects this year

By Derek Harris

First of the new season toy fairs which opened in Harrogate yesterday found toy manufacturers more optimistic about their sales prospects than has been possible during the past two years of difficult trading.

Last year, particularly, manufacturers were hit by short-time working, leading in some cases to redundancies. Triang, Redrose, and H. J. Airfix in 1975 with the help of government cash, went into receivership last month.

### On other pages

Appointments vacant 11  
Business appointments 16  
Letters 16  
Management 16  
Bank Base Rates Table 19

Annual Statements: 17  
Brentnall Beard 17  
Brookhouse Ltd 18

Interim Statement: 16  
Pontiac 16

Company Notices: 18  
Coutts & Co 18  
Lloyds Bank 15  
National Westminster Bank 15

### Lending rate 6½ pc

The Bank of England's minimum lending rate fell ½ point to 6½ per cent. The following are the results of Friday's Treasury Bill Tender:

Applications 2,000m Allotted £200m  
Bids at 6.5% Received 6.5%  
Average 6.5% 6.5%  
Next Friday 6.500m Repurchase £300m

## Lloyds Bank

### Interest Rates

Lloyds Bank Limited has decreased its Base Rate from 7% to 6½% with effect from Monday 9th January 1978.

The rate of interest on 7-day notice Deposit accounts and Savings Bank accounts is decreased from 3½% to 3% p.a.

The change in Base Rate and Deposit account interest will also be applied from the same date by the United Kingdom branches of Lloyds Bank International Limited The National Bank of New Zealand Limited and by Lewis's Bank Limited







11 EDITOR  
11 STRATEG

BY THE FINANCIAL EDITOR

## Base rate comparison —one month later

One of the big four clearing banks, Lloyds, is now out of line on base rate. Friday's bout of leap-frogging, and undercutting the others for just over a month, it would be surprising if Midland allowed itself to be undercut for long. The question is whether this apparent outburst of competition is over, or if it really is for the banks to hold their base rates at different levels for any length of time.

The banks themselves are likely to be asking this question from another angle. They will be asking whether it is actually any point in offering different rates. In the month during which Lloyds' rate undercut Barclays and NatWest by 4 per cent none of the banks saw significant gain or loss of business. That has happened, therefore, is that Lloyds has foregone some profit that it could have made by keeping its rate at 10 per cent.

There is undoubtedly much less pressure on the banks to align their base rates than there was five or even two years ago. This is because the proportion of lending which is linked to base rates has fallen. The banks have been increasing their medium-term lending to around 40 per cent of the total, and such lending is either on fixed or at a margin over money market rates. And there has been a rapid growth in proportion of short-term overdrafts which is linked to money rather than rates.

Multi-banked customers, in particular, now to be borrowing on a money rate-related formula, which is important use these were the borrowers who in the past moved their borrowings around, through their arbitrage operations, to get base rate discounts upon the banks.

switching to whichever bank was best or by switching out of the banks the money markets, the powerful force not only pressured base rates into but also kept base rates closely in tune with the money markets. As long as the money markets, however, there is little incentive for them to switch at all. Indeed, it is to have been the case over the past few years.

there is no particular reason either base rates should always move in line or why they should not drift away from money market rates. Over the past few years interest rates have been falling, and have been unthinkably five years ago. The losers in this process are smaller borrowers who lack the muscle to tap the money markets directly.

the other hand, if one bank consistently got the reputation for being cheaper than the others the smaller customers might start changing banks, and it is likely to be the case that the banks have been likely to let their base rates stay steady out of line over a long period.

guidelines

### Guidelines for the market

Breweries last week became the first company to produce inflation adjusted using the Hyde guidelines. The Accounting Committee, without comparative figures from other groups they naturally little impact either on Allied's own price or the sector, but as more and more companies produce inflation adjusted figures this should change.

There is no guarantee at all that the 30 per cent reduction on pre-tax profits that had on Allied, leaving earnings 19 on deferred tax than they would have been on historic profits with a full charge, will be repeated in other years. Estimates by Buckmaster Moore on the effects of introducing 30 alone showed an average 31 per cent rise in earnings for major brewers but were marked differences between companies. Whitbread showing a 61 per cent gain and Guinness only 14 per cent. While these remain estimates they have little effect. Published results which advantage of ED 19 are causing more use in the market than anything, individual current cost figures are likely to do the same, but the market sees them at its peril.

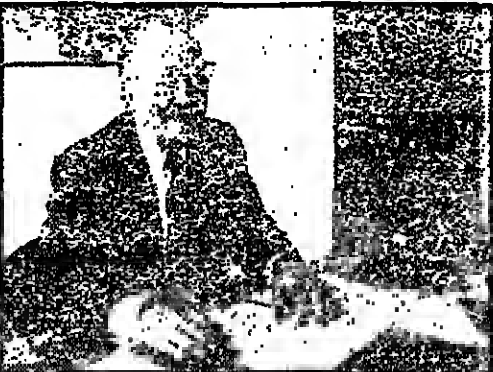
The message is already there in the

disappointing figures which have come out of the engineering sector as stock profits and currency gains have disappeared. Inflation adjusted profits will actually be improving but the historic results have been misled. Some of this is already reflected in prices and some sections of the market will tend to ignore inflation-adjusted figures and rely on historic projections for as long as possible.

Breweries and retailers, for instance, are both rated highly relative to the market because of the so-called quality of their earnings, but for individual stocks the inflation-adjusted element in the price may be small indeed. Analysts however face acute problems in assessing inflation-adjusted earnings. Companies themselves, tend to talk in historic terms and estimates at stock changes and gearing adjustments are different in kind from the way the market has tended to think.

While the reporting of Hyde figures remains piecemeal, the easy approach is to rely on historic figures. But the market moves on sentiment and it is difficult to believe that Allied Breweries will not tend to be re-rated as a result of its inflation figures when the likes of Tube Investments or Guest Keen & Nettlefolds produce sharply reduced profits.

The transition to looking at Hyde figures is not going to be easy however, and with inflation falling in single figures in the



Mr. William Hyde, chief accountant of Oxford United.

United Kingdom this year, historic figures will be moving closer to Hyde figures all the time.

Analysts are split between those who believe that the subtleties of Hyde will have a marked impact on individual share prices and those who believe the market has got it broadly right anyway and the historic pre-tax profit figures will continue to rule the roost.

With sterling recovering its poise, most companies are having to review their invoicing policies not just for exports but for raw material purchases from abroad as well. De Lu Ruc has already made its move by switching exports onto a sterling rather than a dollar basis. More significantly in view of its mounting concern over export competitiveness, ICI has recently established an internal working committee to decide "in what circumstances it might change its invoicing to sterling."

Following the gyrations since the Smithsonian realignment of currencies six years ago, companies have had to come to terms with the fluid position in foreign exchange markets with the result that the depreciating pound has encouraged them by and large to invoice exports in dollars or local hard currencies wherever possible—which apart from the obvious benefits also allows companies to take maximum advantage of sterling's weakness on raw material import costs.

The reality has not always worked out as simply as that of course, since even when companies have been prepared to ride the foreign exchange risk in the forward market customers have often managed to coll the tune.

The temptation is to revert almost willingly to sterling invoicing, with the concomitant danger of losing orders. Long-term contracts would in any case probably not include break clauses and when it comes to renewals companies would be up against competitors prepared to quote in dollars.

Certainly a straw poll on Friday of the finance directors of some of the United Kingdom's biggest exporters created the impression that commercial rather than financial considerations would prevail and despite the ICI move there seem to have been few policy changes to date. But with sterling looking comfortable in its present rate even on a medium-term view it is an issue finance directors will increasingly need to have a firm policy on.

Mr. Michael Edwards, chairman of British Leyland, is clearly a determined, ambitious and, on past record, effective operator. For the moment the Government, the Department of Industry and its major shareholders, the National Enterprise Board, have abdicated responsibility to him for finding a way of continuing the accelerating deterioration in the company's prospects.

He is also a man in a hurry. It is not only a question of eleven hour decisions about the investment plans, internal structure and production programme of the company. It is also that a man in his position will want to be giving the impression of having things under control at least by the time of the next general election. For if, as must still be the case, the Conservative win it, the public position of the man visibly responsible for a continuing Leyland failure, the millstone round the neck of an already sentenced NEB, would be less than alluring.

Last week Mr. Edwards appeared to make a mistake. When several newspapers came out on the same day with the same general story, it is a cold certainty that there has been a briefing by someone in high places, flying a kite. The stories in several papers last Thursday looked uncommonly like the fruits of such an exercise.

Mr. Edwards's references to such reports as being mischievous and unimportant will correspondingly have carried little conviction within Leyland, and may, if this matters to him, have for a moment strained his relations with the NEB.

Of real importance, however, is the question of how to restore conviction within British Leyland that the situation is being brought under control. Leyland is too big a company and the Leyland problem too deep-seated for a solution to spring as a miracle from the brain and energy of one man, no matter how exceptional.

Such a recovery in performance and morale, if possible at all, can only take

years, rather than months, and can only be the result of a concerted action by many people towards an agreed goal. So far, the uncertainties of the new regime seem to have frightened or unnerved as many as they have activated. The suggestion of senior managers to what have seemed to be intelligence or psychological tests has not gone down well.

The argument within British Leyland in preparing its five-year plan for the NEB will be about the detail of internal reorganisation and future programmes. But crucially, however, the problem facing Mr. Edwards and the company, is much starker. The company is under the most acute financial pressure in its history, earmarked for the investment programme, in order to pay the wages. That is a recipe for bankruptcy and, indeed, if it were not for this public money, British Leyland might even have been held to have been trading while insolvent. To get out of that situation there are three theoretical options.

The first is to produce such a dramatic improvement in the manufacture of existing models that market share is recaptured. The second is to produce a new model range of such attraction that Leyland's market position is transformed.

The practice, however, is that whatever decisions are now taken British Leyland is stuck with the same essential model range for the foreseeable future, while no one will believe in more continuous production until they see it. This leaves only the third course of running down, or cutting out, the loss-makers.

The contemplated division of Leyland Cars into its component parts can be only a prelude to allowing the cold logic of events to take the third course. With the volume car business severely identified and accounted for by government of the day would be faced with a clear choice about whether to go on to continue to support it with public money.

## Stark choices for British Leyland

Hugh Stephenson

## Japan—an opportunity as well as a threat

Michael Meacher (right), Parliamentary Under-secretary of State for Trade, discusses British successes in expanding sales to the Japanese, against a background of growing concern about the pressure of imports from the country



cutlery (stainless steel tableware) continues.

On balance these predictions have given our industries more help than would have been possible by other means. As a result, pressure from Japan's imports in sensitive sectors has been contained and in some cases reduced.

Inter-industry discussions have also been held about the Japanese car market, though here the Japanese share rose from nearly 91 per cent to around 10.6 per cent last year and there is also concern about the commercial vehicle sector.

Of course, it is also true that new areas of sensitive competition arise. For example, British industries, have been concerned about parts of the audio sector and have discussed this with Japanese industry as a result, "music" has been covered for the first time.

It is important that inter-industry cooperation should continue and that understandings satisfactory to both sides should be reached to deal with new areas before serious problems arise.

### Action on dumping

Similarly, in cases where there has been evidence of dumping, the United Kingdom has taken appropriate action and now it is for the EEC Commission to be ready to take effective measures now that it has assumed, since last year, overall responsibility for anti-dumping action.

Last year, the United Kingdom imposed a permanent dumping duty on imports of Japanese steel sections after a long and thorough investigation and it also took quick action by imposing a provisional charge on Japanese steel "flats" (although after full investigation this was later allowed in Japan).

The United Kingdom also received price undertakings in the case of socket sets last year and offset litho printing machinery previously. The EEC Commission has obtained price undertakings on ball bearings after a major investigation and

is conducting other inquiries at present.

Yet, despite this, the United Kingdom-Japan trade deficit has been growing, reaching £553m in the first 11 months of last year, though even here the position needs to be seen in perspective. Imports from Japan account for only 3 per cent of our total import bill and less than 5 per cent of our imports of manufactured goods.

Our visible trade deficit with Japan last year, although the third largest of our bilateral deficits, was substantially smaller than that with West Germany (£25m) and in previous years about half of the visible trade deficit with Japan has been covered by our surplus on invisibles.

However, the Japanese surplus does continue to grow, with the United Kingdom, the EEC, the United States and with the world as a whole. Even on a current account basis, after taking into account Japan's deficits on fuel, food, raw materials and invisibles, it reached \$4.63m in 1977 and will be higher in the current year.

This is a serious matter at a time when other countries are carrying the burden of the OPEC surpluses and when it is not always easy for overseas suppliers to build up sales, particularly of industrial goods, in Japan.

Nevertheless, imports are only half the story. Jobs also depend on our exports to Japan which is becoming, rightly, an increasingly important export market for us. The country is still our biggest export market for wool cloth by value and our second biggest market for whisky.

At least partly as a result of the overtures which have been made to Japan over the past year, there are now some signs that it is more ready to buy more from us. The value of our exports has been growing, in both sterling and dollar terms, and substantial and possibly indicative orders have been placed.

Rolls-Royce is hopeful of obtaining orders to supply propellers for Japan's new frigates, orders which would be worth £30m over the next 10

years, and an important breakthrough in a sector previously dominated by the United States. EMI continues to sell its television sets in Japan and has just announced an order for £25m.

Not all the orders go to large firms. Infrared recently arranged to sell equipment worth £250,000 to the Japan Tobacco and Salt Public Corporation. In another field Japanese contractors have been buying British equipment for incorporation in plants they are constructing in third markets. For instance last year Dale Electric sold £1m worth of equipment worth £500,000 to supply generating sets for a project in Zambia organized by Mitsui and Company.

### Help with marketing

Inside Japan British Leyland has set up a new marketing organization by which the trading house Mitsui will help to market British Leyland cars. Honda is also planning to distribute additional Ford models in Japan.

In the field of car components, the president of Nissan Motors said on British television that he was in touch with 15 British component firms about possible business and we know that other Japanese car manufacturers are considering United Kingdom sources of supply.

It is particularly important that we should increase our exports to Japan in high technology fields such as aircraft. Our best chance of a major sale in this field is the possibility of BAC's selling the BAC 1-11 to the Japanese TDA Domestic Airlines.

BAC has mounted a massive marketing effort to break into this difficult market. The Government have given it every support, as this is a sale to which they attach particular importance.

Since 1973 the British Overseas Trade Board has made quite exceptional facilities available to British exporters in this difficult market. These include British Export Marketing Centres in Tokyo, the only one of its kind in the world, and the

creation of a special BOTB unit to give advice to exporters.

In the past four years nearly 3,000 British firms have visited Japan under BOTB auspices—and, of course, many others have been under their own steam. The results have been distorted by the severe economic recession in Japan since 1974 which was reflected in all Japanese imports of manufactures in 1975.

British exports have had a particularly tough time against fierce competition since then, but in recent months we have begun to see results in a substantial increase in our exports.

The Japanese market calls for high standards of quality, delivery and reliability and its language and customs are still unfamiliar to many exporters. An additional problem for the salesman is that historically the Japanese have tended to look abroad only for those manufactured goods which they do not make themselves and for luxury consumer items. It will take time for these attitudes to change.

The most significant obstacle to imports may be the tradition and practice of national self-sufficiency in Japan and the attitude towards imports which it creates. Nevertheless, leaving aside the psychology of the Japanese and the relatively few specific tariff and non-tariff barriers left.

Those which concern the United Kingdom are the whisky and confectionery tariffs, the leather footwear quotas, the tobacco monopoly's price and distribution policies and import procedures and testing standards, on, for example, chemicals and diesel engines.

The United Kingdom and the EEC Commission have discussed these in detail with the Japanese and have pressed for action. The Japanese authorities have responded to these approaches by delaying for three years the application of their latest emission standards to foreign cars, accepting European testing of certain pharmaceutical standards and making arrangements to test our cars before shipment to Japan.

They have recently made proposals to reduce a wide range of tariffs in April this year, including those on a number of industrial products as well as Scotch whisky, gin and tea, and the reduction to zero of the tariff on motor vehicles. However, the United Kingdom was disappointed that there was no proposal to reduce the confectionery tariff and is continuing to press for a reduction.

Nobody would pretend that these measures are anywhere near enough, although the Japanese government's proposals for increased public expenditure may help, as will the substantial reduction of the yen during 1977. Governments to the EEC and the United States are urging Japan to take substantial further action in the next few months to stem the rising tide of international commerce.

## Business Diary in Europe: A welcome Jeremiah

almost a year since the Commission vowed, in the wake of President Roy's arrogant declarations of concern for consumers, they would appoint a new director for the consumer service. (Mrs Jenkins, ill be remembered as a right vice-president of the Consumers' Association.) In a back number in the past, have shared a director and a thinly staffed service with the environment.

At last the appointment made. Jeremiah, at present chief of Dublin's city vocal education committee, will be the job in Brussels by the end of the year. Though Sheehan has no experience in the consumer field—he was an engineer before joining the Irish armament of Education—he is Jeremiah on one will be to see (he is more widely known as "Jerry"). has already impressed the with whom he will be in Brussels at their imaginary meetings. The consumer organizations have been bitterly critical of Richard Burke, the Irish minister whose remit is consumer affairs, over staffing difficulties of the year are now in a mood to. The Commission have such difficulty getting new approved by a cost-conscious council of ministers that the end Burke has had to

"borrow" one job at director level from another area of his responsibilities, transport, so that the promise to consumers could be made good.

Nor is the appointment of an academic administrator from what used to be Burke's own department, when he was Ireland's minister of education, regarded with suspicion. Ireland is the only member state which has hitherto filled less than its appointed share of jobs at director level with its nationals. Sheehan knows his way around Brussels, too, having been a head of division on the budgetary side of the European social fund from 1973 to 1975.

There is some relief in European central banking circles that the United States monetary authorities chose last week to announce their conversion to active support of the dollar on foreign exchange markets. To have left the issue open for this month's meeting of western central bankers in Basel today and tomorrow could well have interfered with bidding farewell to Dr. Arthur Burns, who ceases to be chairman of the American Federal Reserve Board at the end of January. For Burns has a firm

place in the affections of his European colleagues, as is only appropriate for a man who has put his high mouth and muscle behind a strong will for the International Settlements in many ways an ideal occasion for seeing him off. The atmosphere is almost clublike and as close to informal as any such gathering can be.

All the leading western central bankers meet in Basel but they do not come to discuss a fixed agenda and this helps make a lot of the hassle out of the meetings. Not least, the focus in the hotels clustered around the Bank for International Settlements is good and can be excellent.

So, unless the foreign exchange markets produce any nasty surprises today, there is likely to be a lot of back-slap and noddling in the EEC in between the discreet inquiries about what sort of Federal Reserve chairman William Miller will make.



David Wheeler

EEC Commission to harmonize legislation on misleading and unfair advertising.

The other European countries admire the British system of advertising control, which is voluntary. They feel themselves to be already over, rather than under, "legislated" and point to instances where prohibitions, as for example on the advertising of alcohol in Norway, have led to various manoeuvres to get round the system by using symbols and not words in advertisements. The voluntary system, they argue, leads to more cooperation.

The EAA and the IPA have already had some success in diluting the effects of the individual draft directives issued by the EEC Commission. A fourth, and it is hoped, acceptable version of the directive is expected shortly.

Meanwhile Wheeler is hoping to assess with his continental colleagues how much of a

misleading advertising actually is. The ball was set in motion in Britain by Gordon Borrie, director of the Office of Fair Trading, late last year when he set up a tripartite working party with representatives of the Consumers' Association to study the effectiveness of Britain's recently toughened self-control structure. Wheeler, who spent eight years with the J. Walter Thompson advertising agency before moving to the IPA, is hoping this week to finish drawing up a questionnaire which will apply to continental countries as well as to Britain.

When, recently, the Italians decided to mint millions of new 200 lire (12p) coins it looked as if the chronic shortage of small change was about to be overcome. Italians would be able to dispense with dog-eared "mini-coins" issued by banks, with telephone tokens, postage stamps, unused bus tickets, boiled sweets, chewing gum sticks and all the other things they have been using instead of small change.

Apart from a badly functioning mint, there had been no monetary unit in general circulation between a coin for 100 lire (about six pence) and a note for 500 lire (about 30 pence).

The authorities therefore decided to mint 500 million new coins of 200 lire, of which 15 million were issued before the new year.

Unfortunately, it is not possible to describe what the coins so far issued look like, as no one appears to have seen them—they have become collectors' items right away.

In Bologna, which is near San Marino, a centre of the stamp and coin collecting business, the new coins can command a price of 2,000 lire, 10 times their face value—even though they have been cast in a cheap alloy likely to have little intrinsic worth.

Even the banks have been unable to cast coins through normal channels.

The Treasury is optimistic that the long dearth of small change will not last. Output is to be doubled by the use of new machinery and overtime.

It seems that the Spanish have been long in the dark about economic and political matters. An opinion poll shows that only one in four knows anything about the government's important "Mancino Pact" (with the opposition parties) which deals with such issues. Now publication of the pact has launched last week. The Spaniards are now finding out that, among other things, there is to be a 22 per cent wage ceiling this year (inflation, though, is running at 30 per cent).

## Brennall Beard (Holdings) Limited

### Profits 37% ahead Overseas earnings up Aviation business grows

Profit and Appropriation Year to September 30, 1977

	1977	1976
Turnover	5,005,000	3,904,000
Profit from Operations	805,325	590,050
Share of Profits of Associated Companies	405,772	49,951
Pre-Tax Profit	1,211,104	740,001
Tax	539,371	330,370
Profit after Tax	471,733	349,631
Minority Interests	71,538	78,337
Profit for the year attributable to the shareholders of Brennall Bead (Holdings) Limited	400,195	271,294
Dividends	95,131	85,198
Earnings per share	5.5p	3.7p

The Chairman, Mr. Fred Bead, states that Brennall Bead's concentration in recent years on overseas diversification has been responsible for the substantial increase in turnover. Despite operational difficulties, the Company has strengthened its position in Canada. Experience has been gained in other markets overseas but patience is needed in finding the right associates. The Paris office established a foothold in the EEC and it is hoped that barriers will shortly come down permitting the larger commercial insurance, to be written elsewhere in the EEC without the insurer being established in the country concerned.

The Lloyds Underwriting agency has had a good year and the growth of Brennall Bead's aviation account in particular, has been very successful.

The 1976 figures have been amended to take account of certain subsequent adjustments and in order to show minority interests and interests in associated companies in accordance with generally accepted practice.

Copies of the Annual Report and Accounts available from the Company Secretary, Brennall Bead (Holdings) Limited, 31 St. John's Hill, Shrewsbury SY1 1AG.







## Unit Trust Prices—change on the week FT Index change on week 497.3 to 119 (24.1)

## Commodities

**Wallace Jackson**  
Commodities Editor

## David Robinson

**Wallace Jackson**  
Commodities Editor

### European prices (yields and premiums)

## Briefly

limited  
EQUUS 319 Tel: 01894 6651  
Enter Masdon

[illegible]

### Weekly list of fixed interest stocks

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[illegible]

J. H. Nighlingale & Co.  
Threadneedle Street, London  
The Over-the-Counter

**Volvo aid**  
Eindhoven.—Colvo AB, the Dutch subsidiary of Volvo Car

72.7	-1.0	Un Accum	86.7	71.7	3.21
99.5	+0.2	Compound	95.1	100.5	3.72
52.0	-0.1	Unversion Tax	47.3	50.4	3.87
43.7	+1.2	Charfund* 12	143.0	145.2	7.47
71.0	+1.8	Un Accum 12	170.0	178.4	7.47

1.1	-4.2	Do '8'	100.5	115.3	..	10
10.4	-0.1	Du Money Fnd	163.1	106.5	..	13
10.3	-0.3	Flexplan	89.4	184.0	..	12
12.1	-0.1	Man Pen Fnd	101.7	167.2	..	13
13.0	-0.1	Man Pen '8' Fnd	102.3	168.1	..	12

Property Growth Pensions & Annuities Ltd.		
1.3	+5.4 All-Weather Ac	129.9 136.7 ..
2.2	+3.4 Do Capital	124.4 131.0 ..
3.0	+2.0 Investment Fnd	.. 135.0 ..
3.7	+0.7 Pension Fnd	.. 135.4 ..

138; 1st of month, 139; 1st of each month, 139; 3rd Wednesday of  
h. 139; 2nd Wednesday of month, 140; Valued  
high.











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Selva, Courchevel 1850 ..... £110

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## Printed and Published by Times Newspapers Limited, 1978

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## PERSONAL COLUMNS

ALSO ON PAGE 21

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What about that donation you were going to send to the...

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Or would you find it easier to send us a book or two? We are putting out a special catalogue with the help of...

## CANCER RESEARCH CAMPAIGN

is the largest single supporter in the U.K. of research into all forms of cancer.

## WINTER SALES

Starts at 10 a.m. on Tuesday, 10th January at 64 Pimlico Road, London, S.W.1

## NINA CAMPBELL SALE

Starts at 10 a.m. on Tuesday, 10th January at 64 Pimlico Road, London, S.W.1

## PANACHE OF BEAUCHAMP PLACE, KNIGHTSBRIDGE

Sale commences 7th January. Prices range from £20 - £60 on all winter stock.

## SALE N. PEAL

Burlington Arcade, London, W.1. 10 Beauchamp Place, S.W.1

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## JANUARY SKIING AT ISOLA

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Small, comfortable, air-conditioned motor launch...

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John Morgan Travel, the chalet holiday specialists, offer an unbeatable offer for 14th Jan...

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Economy with reliability. Save money on your holiday...

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